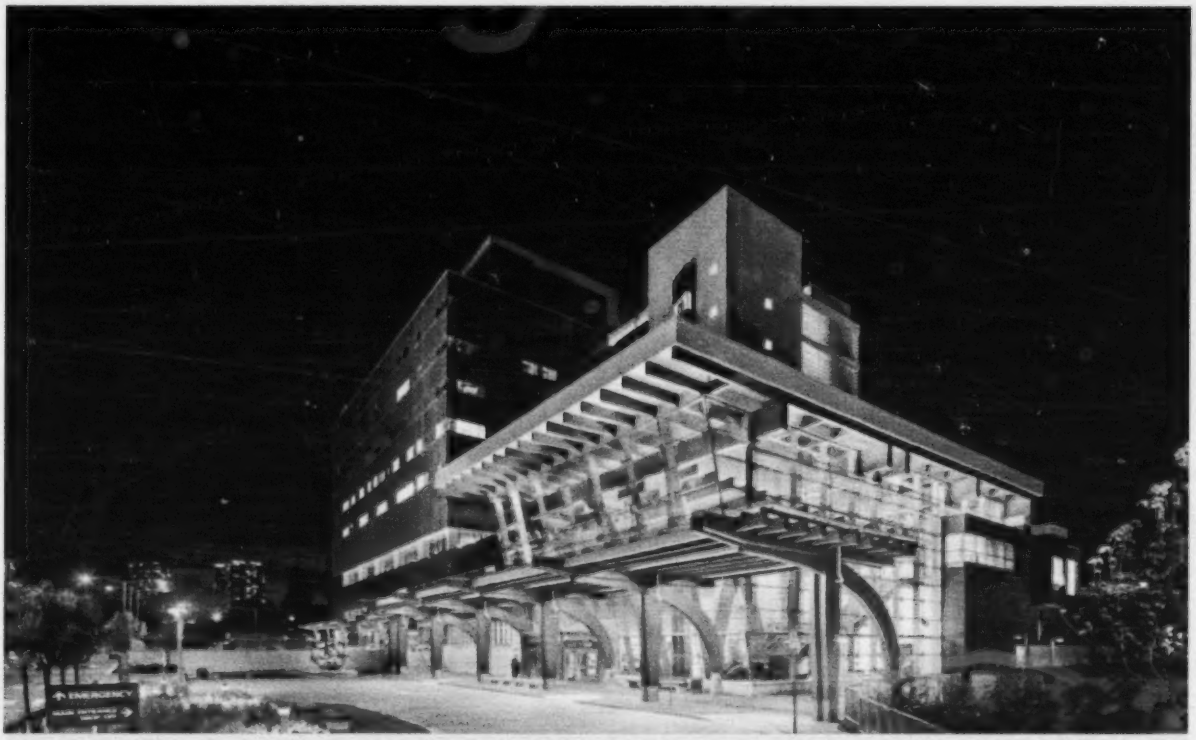

Image courtesy of Fraser Health Authority

The Surrey Memorial Hospital Critical Care Tower was a $512 million expansion project that added 151 acute care beds, and a new emergency department (the second biggest in Canada) with a specialized mental health and pediatric area. Other elements included an Intensive Care Unit, Neonatal Unit, more space for the clinical academic campus of the UBC School of Medicine, and a laboratory with the latest medical technology.

BRITISH COLUMBIA MAJOR PROJECTS INVENTORY

FIRST QUARTER 2016

CANADA STARTS HERE | BC JOBS PLAN

BRITISH COLUMBIA | Ministry of Jobs, Tourism and Skills Training

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First Quarter 2016

Major Projects Inventory as of March 31, 2016

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Major projects data collection and highlights by Rene Corcoran, Research Contractor

Report prepared by Labour Market and Information Division staff

While information sources are checked regularly, the Government of British Columbia and its contractors are not responsible for any errors or omissions in this publication.

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ABOUT THIS REPORT

About this Report

The presentation of the B.C. Major Projects Inventory (MPI) report has been redesigned to include broad construction trends and current economic activities.

The objectives of this report are to analyze the updates to the MPI and to provide additional context on changes to economic conditions and construction activities. These snapshots of current economic activities are provided to help readers to form expectations of the construction activities into the next quarter. Note that the economic indicators are based on the most recent data available during the preparation of this report, not based on what would have been available in March 2016.

The detailed project listings are no longer included in this report since they are available in the searchable Excel database which is published on the MPI website together with this report.

Feedback on the report redesign should be addressed to Grace Lee (Grace.Lee@gov.bc.ca), Labour Market Information Office (LMIO).

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About the Major Projects Inventory

The B.C. Major Projects Inventory (MPI), published quarterly, provides summary information on major projects in the Province of British Columbia. The MPI includes a listing of private and public sector construction projects in B.C. with an estimated capital cost of $15 million (Cdn.) or greater ($20 million or greater within the Lower Mainland–Vancouver area).

Approximately two-thirds of existing projects receive an update each quarter. New projects are added to the list every quarter. Projects on hold for longer than two years are removed from the publication. Completed projects are removed from the list in the following quarter.

Information collected in the MPI includes:

Project identification	Project name, description, specific and regional location, geographic coordinates, developer, contact information, project type and project category
Project status	• Proposed, under construction, completed, or on hold • Proposed stages • Start and completion dates (if available) • Update activity on project status • Environmental assessment stage
Project size	Estimated capital cost (if available)
Other project characteristics	Construction type, construction subtype, public sector projects, clean energy projects and/or green (i.e. LEED) building projects, First Nations' agreements, the number of construction jobs and operating jobs.

While effort is made to maintain a comprehensive project list that includes the most current information, it is important to note that projects are constantly added and re-evaluated by industry. Not all major projects are included in the MPI. Projects must be known to be included, and some project information is not published due to confidentiality requirements.

Sources of MPI Information

Information sources include print and electronic media, developers, architects, general contractors, and government agencies (provincial, regional, municipal) as well as occasional site visits. Projects that are under consideration or proposed to be funded by the provincial government may be listed where there is public information about such projects. The description may indicate the status of provincial funding applications if it is available from public information.

Project Location

Projects are listed within the eight economic development regions: Vancouver Island/Coast, Mainland/Southwest (Vancouver area), Thompson-Okanagan, Kootenay, Cariboo, North Coast, Nechako, and Northeast. A map showing the location of the regions and main population centres is included in the regional sections of the MPI. Projects are also listed according to the nearest population centre, which could be an unincorporated centre or a local government, (e.g., a municipality).

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ABOUT THE MAJOR PROJECTS INVENTORY

Estimated Cost

Cost estimates are general estimates from the information sources used and are not necessarily produced in a consistent manner. The estimated costs are revised when new information is available. All estimates are recorded in millions of dollars.

Start and Finish Dates

Start and finish dates for proposed projects are based on estimates from the sources used, or in some cases, reasonable assumptions. These dates are revised as new information becomes available.

Project Status

Projects are listed by status: proposed, under construction, completed, or on hold. Projects that are on hold for longer than two years are normally removed from the publication (although retained in our database). Canceled projects are noted in the project description as "canceled" and noted in a new field - Update Activity as "cancelled-removing next issue". Canceled projects and completed projects in this quarter will be removed from the next issue of the MPI.

Sustainable Building Design

Information on sustainable building design is identified as well as construction projects that are registered and certified under a recognized green building rating system (e.g., Leadership in Energy and Environmental Design (LEED®), Green Globes). LEED buildings provide an environmentally responsible standard for energy efficiency in the home and workplace. This designation has been added to the project description to promote awareness of the benefits of green buildings.

First Nations Affiliation

Information related to First Nations' involvement in projects is based on news releases and published project information that is publicly available. The information is consistent with the information maintained in the First Nations Economic Development Database (FNEDD; www.fnedd.ca).

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ABOUT THE MAJOR PROJECTS INVENTORY

New data concepts added to this issue are as follows:

Construction Type

Projects are grouped by five industry-standard construction types:

a.) commercial;
b.) residential;
c.) industrial;
d.) infrastructure; and,
e.) institutional.

Construction Subtype

Projects are also grouped by construction subtypes. There are 21 construction subtypes within the five industry-standard construction types. The classifications for the construction subtypes are included in section 14 of definitions of key terms. Note that the construction subtype replaces the field of Industry Construction Classification previously used.

Project Category

Projects Category listed the seven industrial categories:

a.) manufacturing;
b.) mining, oil and gas extraction;
c.) other services;
d.) public services;
e.) residential or commercial;
f.) transportation and warehousing; and,
g.) Utilities (including sewage treatment)

Environmental Assessment Stage

The stages of environmental assessment for each project undergoing review under the *B.C. Environmental Assessment Act* are added to this issue.

Latitude and Longitude

Fields Latitude and longitude in the format of Degrees minutes seconds (DMS) are now added.

Telephone

Contact number of the project developer or contractor.

Update Activity

Readers can search for and select projects based on the following five criteria:

a.) new proposed projects;
b.) construction started this quarter;
c.) cancelled-removing next issue;
d.) project added-under construction; and,
e.) completed this quarter-removing next issue.

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1. B.C. Major Projects Highlights – Q1 2016

This issue of the B.C. Major Projects Inventory lists 21 new proposed projects over $15 million (M) for the first quarter of 2016, with available capital cost estimates totaling approximately $2.4 billion (B) in potential new capital investment, if all the projects proceed.

Thirteen major projects started construction in the first quarter, with an estimated value of $2 B. Among the larger projects started are the $811M Brucejack Gold Project in Iskut, and the $715M Tower Gas Plant in Fort St. John.

Eighteen projects completed construction in the first quarter, with an estimated capital cost of $1.1B. The largest project is the $283M North Shore Trade Area - Philip Avenue Overpass Project in North Vancouver, followed by the $120M Clayton Village Residential Development in Surrey, and the $100M Eagle Creek Village Mixed Use Development in View Royal.

All capital costs in this report are estimates and therefore subject to change. This is particularly applicable in the early stages of a project proposal. Some capital costs are not included because they were not available at press time or the developer or owner requested that no capital cost be shown.

The capital cost of all major projects currently under construction in B.C. is estimated at $77.4B, up slightly from the $75.4B reported in the fourth quarter of 2015. Many major project proposals listed are in very preliminary stages and are not approved for construction. Therefore, capital cost estimates should be viewed with caution. The available capital cost of proposed projects is estimated at approximately $329.3B, down from $341.6B in the previous quarter. Approximately $31.2B of projects are deemed to be 'on hold' for the time being.

Figure 1 B.C. MPI Highlights

903	Number of total major projects
$439.1B	Value of all projects
454	Number of total proposed projects
$329.3B	Value of proposed projects
347	Number of projects under construction
$77.4B	Value of projects under construction (Appendix 2)
18	Number of projects completed
$1.1B	Value of projects completed (Appendix 3)
21	Number of new proposed projects in Q1 2016
$2.4B	Value of newly proposed projects (Appendix 1)

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2. B.C. Major Projects Inventory– Q1 2016

By Projects Category, Construction Type or Subtype

Exhibit 2.1 Estimated Cost Trends in B.C. Major Projects, by Project Category ($M)

Project Category	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Change from previous quarter	Change from previous year
Mining, Oil & Gas Extraction	154,726	197,830	201,430	203,236	196,810	-3.2%	27.2%
Residential/Commercial	70,887	70,490	71,458	74,234	72,824	-1.9%	2.7%
Transportation & Warehousing	49,538	60,055	57,525	66,014	72,767	10.2%	46.9%
Manufacturing	51,264	51,231	46,491	46,521	36,454	-21.6%	-28.9%
Utilities	42,636	43,143	42,473	43,014	40,212	-6.5%	-5.7%
Public Services	7,523	7,732	7,966	8,039	8,301	3.3%	10.3%
Other Services	9,593	9,958	11,428	11,442	11,687	2.1%	21.8%
Other	18,993	17,259	10,918	-	-	-	-
Total	405,160	457,698	449,689	452,500	439,055	-3.0%	8.4%

Source: MPI, Q1 2016

B.C. saw a slight decrease of 3 percent in the total estimated cost of major projects in the first quarter of 2016 compared to the last quarter; however, this is an increase of 8 percent compared to the same quarter last year.

The largest quarterly increase occurred in transportation and warehousing (+10.2%), primarily as a result of three newly included projects: G3 Terminal Vancouver Project ($600M), North Courtney Connector ($15M), and Salmon River Bridge Replacement ($24M).

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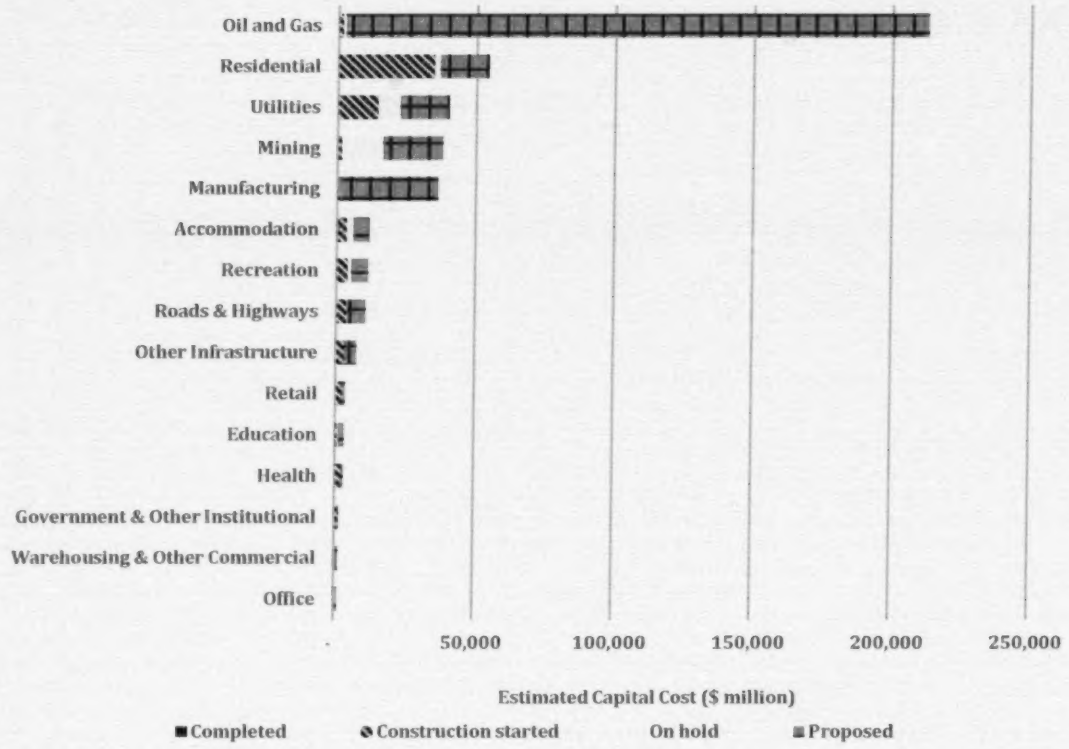
Exhibit 2.2 Major Projects Status in B.C., by Construction Subtype ($M)



Source: MPI, Q1 2016
Note: Liquefied natural gas (LNG) projects, mining and quarrying, and oil and gas branched out from the mining & oil and gas extraction.

Oil and gas projects represent the largest group of projects by estimated cost. LNG projects (part of oil and gas) continue to have the majority share of estimated capital costs among proposed projects.

Residential projects have the greatest proportion of projects for which construction started in this quarter (45%). Mining represents the highest proportion of projects that are currently on hold (48%).

The total estimated costs for major projects by construction subtype and project status are included in Appendix 4.

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Exhibit 2.3 Estimated Costs in Regional Major Projects, by Construction Type and Subtype ($M)

Construction Type & Subtype	Vancouver Island/ Coast	Mainland/ Southwest	Thompson -Okanagan	Kootenay	Cariboo	North Coast	Nechako	Northeast	Total
Residential Subtotal:	11,181	28,079	10,455	80			100		49,895
Primarily residential	8,181	18,697	9,005	80			100		36,063
Mixed use	3,000	9,382	1,450						13,832
Commercial Subtotal:	2,437	19,400	5,836	4,902	1,435	30		540	34,580
Mixed use	262	4,310							4,572
Accommodation									
Recreation	121	6,603	2,235	2,600	73				11,632
Retail	883	1,970	287					500	3,640
Office	285	1,097	15						1,397
Warehousing		60							60
Other Commercial	540	540			382	30		40	1,532
Industrial Subtotal:	32,388	2,628	1,864	3,226	7,698	212,193	6,146	21,531	287,674
Mining	328	160	1,834	3,016	3,183	19,683	6,146	3,877	38,227
Oil & Gas	32,000	2,418			4,500	160,450		13,625	212,993
Manufacturing - Wood Products	60		30			60		29	179
Manufacturing - Petrochemical						32,000		4,000	36,000
Other Manufacturing		50		210	15				275
Institutional & Government Subtotal:	3,502	3,529	1,250	39		50		27	8,397
Education	1,669	1,727	89	19				27	3,531
Health	606	1,608	857	20		50			3,141
Government buildings	1,207	194	269						1,670
Other Institutional & Government	20		35						55
Infrastructure Subtotal:	11,782	18,521	3,401	862	1,534	6,640	786	14,983	58,509
Utilities	8,873	6,813	1,904	862	1,070	5,134	741	14,815	40,212
Roads & Highways	1,242	7,295	1,301		464	181	45	168	10,696
Other Transportation	1,650	4,413	196			1,325			7,584
Other Infrastructure	17								17
Total	61,290	72,157	22,806	9,109	10,667	218,913	7,032	37,081	439,055

Source: MPI, Q1 2016

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By Project Status

Exhibit 2.4 Summary of B.C. Major Projects (by Project Status)

	Estimated Capital Cost ($M)	Percentage of Total	Number of Projects	Average Project Value ($M)	Average Years in Inventory
Proposed	**329,319**	**75%**	**454**	**823**	**4.5**
Preliminary/Feasibility	81,863	25%	99	1077	4.0
Consultation/Approvals	230,144	70%	258	979	4.8
Permitting	8,082	2%	14	674	3.7
Tender/Preconstruction	6,426	2%	48	134	3.1
Stage Unknown	2,804	1%	35	97	5.6
On Hold	**31,202**	**7%**	**84**	**385**	**9.2**
Construction Started	**77,440**	**18%**	**347**	**228**	**6.3**
Completed	**1,094**	**0.2%**	**18**	**61**	**4.2**
Total	**439,055**	**100%**	**903**	**523**	**5.6**

Source: MPI, Q1 2016

Notes: Average project value is the average of those projects for which there is a cost estimate. Average years in inventory is the average time span between the projects as recorded in the MPI and the updated date (May 4, 2016).

Of the $439B estimated capital cost, 75 percent consists of proposed projects, 7 percent for the projects that are on hold, 0.2 percent for the projects that are completed in this quarter, and 18 percent represents the projects which have started construction. The average number of years projects are included in the inventory is 5.6 years, which has gone down from 5.8 years since the last quarter.

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Exhibit 2.5 Estimated Cost Trends in B.C. Major Projects, by Project Status ($M)

Status	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Change from previous quarter	Change from previous year
Proposed	295,724	350,110	338,035	341,636	329,319	-3.6%	11.4%
Construction started	81,682	72,335	79,570	75,422	77,440	2.7%	-5.2%
Completed	1,584	10,213	616	3975	1,094	-72.5%	-30.9%
On hold	26,170	25,040	31,468	31,467	31,202	-0.8%	19.2%
Total	405,160	457,698	449,689	452,500	439,055	-3.0%	8.4%

Source: MPI, Q1 2016

The total capital cost is the combined value of projects categorized as proposed, construction started, completed and on hold.

The capital cost of B.C. major projects decreased slightly in the first quarter of 2016, totaling $452.5B. The total capital cost decreased by 3 percent from the previous quarter and increased by 8 percent from the previous year (Q4 2015).

While the value of projects that started construction increased by 3 percent from the last quarter, the value of completed projects dropped 73 percent.

On a year-over-year basis, there is a slight decrease in the cost of construction started this quarter (-5.2 percent). There is a less than 1 percent decrease in the estimated cost of projects that are currently on hold in this quarter.

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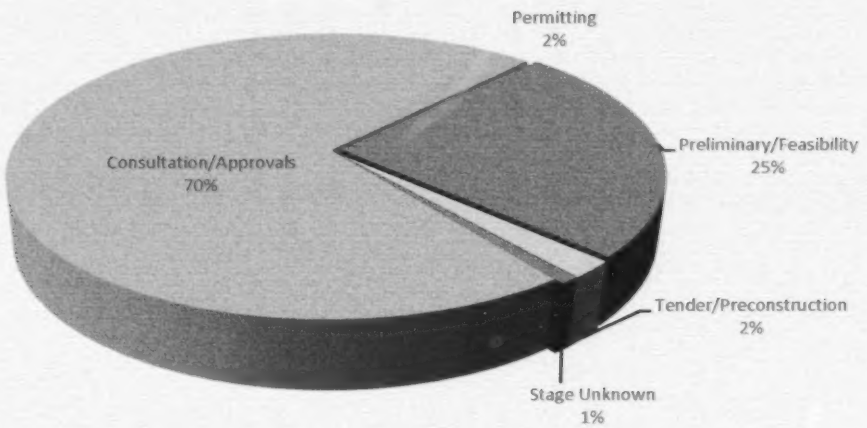
Exhibit 2.6 Proposed Projects in B.C. by Proposal Stage



Source: MPI, Q1 2016

The proposed status is broken down into four stages representing the proposal process from earliest to latest stage: (i) preliminary/feasibility (ii) consultation/approvals (iii) permitting (iv) tender/preconstruction.

A majority of proposed projects in B.C. (70%) are in the consultation/approvals stage.

Among the proposed projects, liquefied natural gas (LNG) projects have the largest share of projects in the consultation/approvals stage, followed by manufacturing, transportation, and warehousing.

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B.C. MAJOR PROJECTS INVENTORY– Q1 2016

Exhibit 2.7 Number of Regional Major Projects, by Project Status

Development Region	Proposed	Construction started	Completed	On hold	Total
Vancouver Island/Coast	67	52	4	16	139
Mainland/ Southwest	228	196	13	20	457
Thompson-Okanagan	41	59		10	110
Kootenay	6	13	1	8	28
Cariboo	19	2		6	27
North Coast	46	6		11	63
Nechako	10	3		4	17
Northeast	37	16		9	62
Total	454	347	18	84	903

Source: MPI, Q1 2016

Exhibit 2.8 Estimated Costs of Regional Major Projects, by Project Status ($M)

Development Region	Proposed	Construction started	Completed	On Hold	Total	Total change from the previous quarter	Total change from the previous year
Vancouver Island/Coast	47,453	11,628	228	1,981	61,290	-0.1%	0.8%
Mainland/ Southwest	34,639	33,849	846	2,823	72,157	-1.1%	-8.6%
Thompson-Okanagan	5,026	14,718		3,062	22,806	-4.1%	-5.4%
Kootenay	2,331	3,578	20	3,180	9,109	-1.9%	-12.8%
Cariboo	8,804	480		1,383	10,667	-7.9%	-9.0%
North Coast	204,323	1,369		13,221	218,913	-4.1%	23.7%
Nechako	4,261	886		1,885	7,032	0.0%	6.3%
Northeast	22,482	10,932		3,667	37,081	-3.0%	4.2%
Total	329,319	77,440	1,094	31,202	439,055	-3.0%	8.4%

Source: MPI, Q1 2016

Exhibit 2.8 presents the estimated costs of major projects for each region by project status. North Coast has a large inventory of proposed projects, primarily LNG proposals. Vancouver Island/Coast has a small change in the MPI compared to the last quarter. The total estimated cost in Cariboo has dropped by 8 percent in this quarter.

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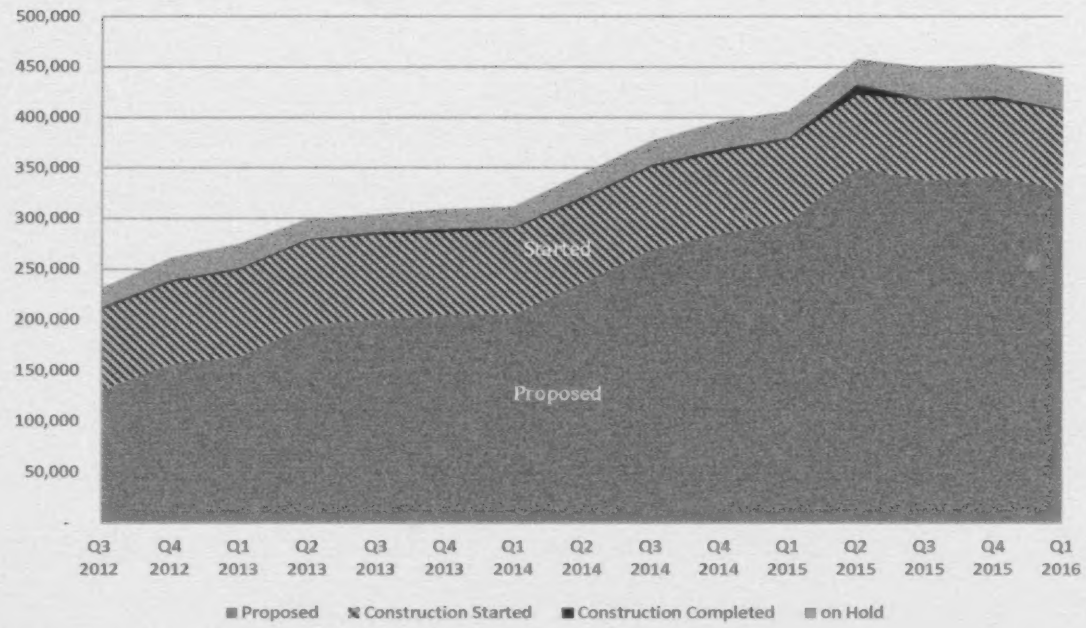
B.C. MAJOR PROJECTS INVENTORY– Q1 2016

Exhibit 2.9 Estimated Cost Trends in B.C. Major Projects ($M)



Source: MPI, Q1 2016

The value of B.C. major projects peaked in the second quarter of 2015 and has been relatively flat since then, although still 8.1 percent higher than the first quarter of 2015.

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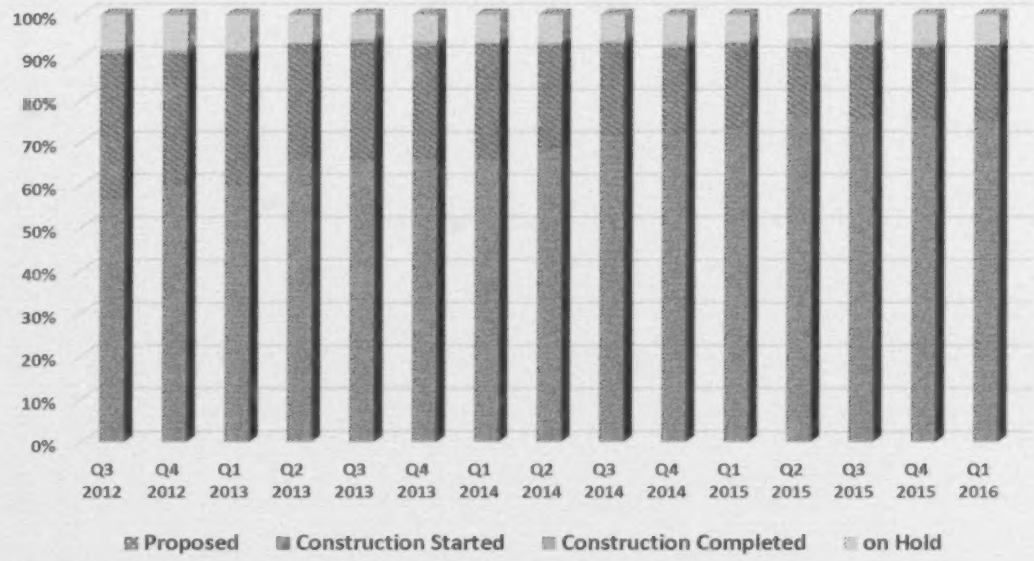
Exhibit 2.10 Proportion of B.C. Major Projects Status Over Time ($ M)



Source: MPI, Q1 2016

Over time, the share of proposed projects in the MPI has increased while the share of construction started has decreased. There was less construction completed in the first quarter of 2016 than in the fourth quarter of 2015. The size of projects that are currently on hold has not changed much from the last quarter; however, it increased by 19 percent from the first quarter of 2015.

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3. British Columbia's Economy

Exhibit 3.1 Economic Activity

	2015f	2016f	2017f	2018f	2019f
Real GDP	+2.3 %	+2.4 %	+2.3 %	+2.3 %	+2.3 %

Source: B.C. Budget and Fiscal Plan 2015/16 – 2017/18

	Most Recent Period	Amount	Change from previous month	Change from previous year	Data Type
Retail trade ($ M)	April 2016	6,230	+2.4%	+7.9%	seasonally adjusted
Manufacturing ($ M)	April 2016	3,688	-1.3%	+2.2%	seasonally adjusted
Residential - building permits ($ M)	May 2016	1,175	+2.2%	+20.3%	seasonally adjusted at annual rates
Residential -housing starts (units)	May 2016	39,297	+4.0%	+39.0%	seasonally adjusted at annual rates
Non-Residential building permits ($ M)	May 2016	295	+5.9%	+13.1%	seasonally adjusted
Exports - all merchandise ($ M)	April 2016	2,900	-9.0%	-3.7 %	seasonally adjusted

Source: Statistics Canada

The B.C. Ministry of Finance forecasts a growing economy over the next 4 years with an average annual real GDP growth rate of 2.3 percent.

Retail sales in April have bounced back from a loss in March with 2.4 percent higher sales, totaling $6.23B. All subsectors registered higher sales on a year-over-year basis and increased 7.9 percent over the past year.

Although B.C.'s manufacturing sales dropped by 1.3 percent in April to $3.68B, they were 2.2 percent above levels from a year ago.

The value of issued residential building permits was up 2.2 percent in May. The number of residential housing starts increased by 4 percent in May, reaching an annualized total of 39,297 units - up 39 percent over the past 12 months. Investment in non-residential building construction went up 5.9 percent in April and exceeded the level from a year ago by 13.1 percent.

Domestic Exports fell to $2.9B in current dollar value in April, largely driven by lower product prices for metal ores and non-metallic minerals.

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Exhibit 3.2 Prices

	Most Recent Period		Change from previous month	Change from previous year
B.C. Consumer price index (2002=100)	May 2016	122.7	+0.7 %	+1.75%
Exchange rate	May 2016	US$ 0.77	-1.0 %	-5.9%
Prime business rate	June 2016	2.7%	0 p.p.	-.15 p.p.
Conventional mortgage - 5 year	June 2016	4.6%	0 p.p.	0 p.p.
Overnight money market financing rate	June 2016	0.5%	.01 p.p.	-.18 p.p.

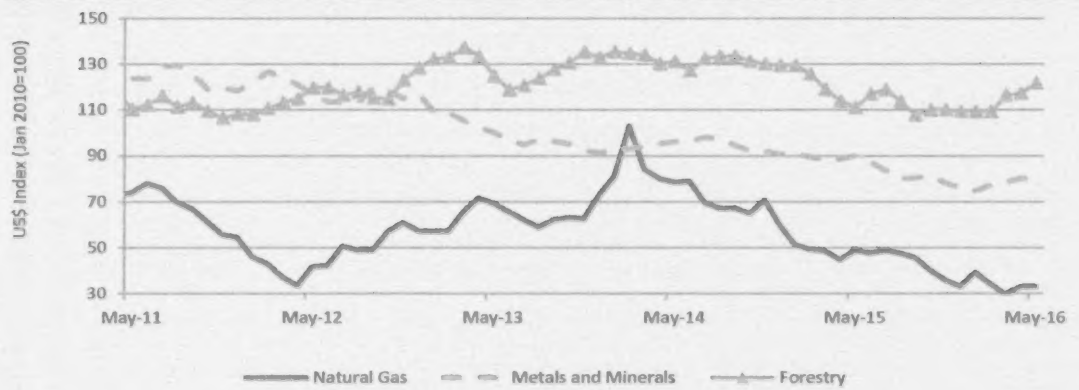
Source: Statistics Canada & Bank of Canada

Note: p.p is percentage point, used here to show the difference between two percentage rates.

The Consumer Price Index for B.C. was up 0.7 percent in May compared to April and 1.7 percent higher on a year-over-year basis. The Canadian dollar exchange rate fell by 1.0 percent in May to US$0.77 which was 5.9% below the level of US$0.82 in May 2015.

Key interest rates moved down slightly in the past 12 months, while the conventional mortgage rate stayed the same. The overnight money market rate was down 0.01 percentage point in June and down 0.18 percentage point from the previous year, with the prime business rate following a similar trend. The Bank of Canada benchmark 5-year mortgage rate has remained unchanged for the past 12 months.

Exhibit 3.3 Key Commodity Prices



Source: Natural Gas (Henry Hub) from U.S. Energy Information Administration, others from Bank of Canada

Forestry prices have increased since February and increased by 3.8 percent in May. In contrast, the Henry Hub natural gas price remained at $1.92/mmBtu over the past 2 months. Metals and minerals prices stabilized during the past several months but are still 11.1% below year ago levels.

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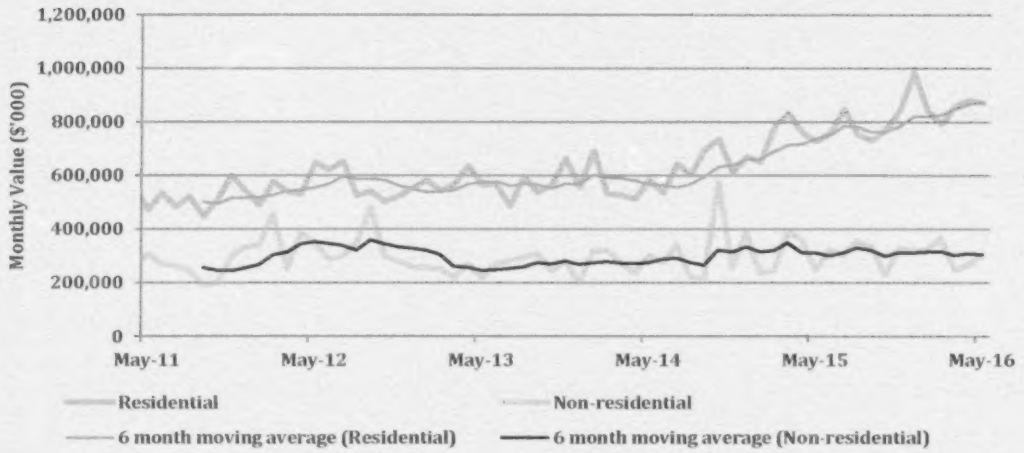
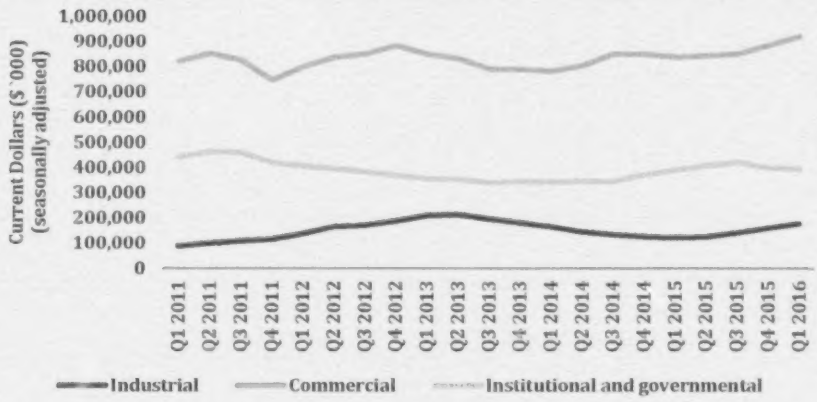
Exhibit 3.4 Value of Building Permits



Source: Statistics Canada

Building permits provide a view of possible future construction activity. Since 2014, residential building permits have increased by 49.1 percent. Month-to-month variations in non-residential building permits have been trending along a trend of little growth for the last two years.

Exhibit 3.5 Investment in Non-Residential Building Construction



Source: B.C. Stats

Total investment in non-residential buildings increased 3.3 percent in the first quarter of 2016, settling at $1.49B, which is 10.5 percent above year-ago levels. The gain in investment is mainly driven by increased investment in industrial buildings (+10.9%) and commercial buildings (+4.1%) during the last quarter. Investment in institutional and government buildings experienced a 1.3 percent drop.

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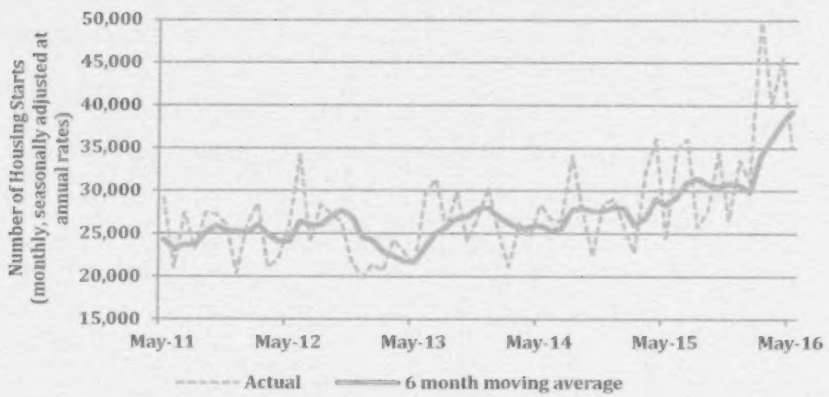
Exhibit 3.6 B.C. Housing Starts



Source: Statistics Canada

Builders of multi-family apartments and condominiums as well as single family houses have been increasing supply of new housing in response to strong demand. The six month moving average reached a level of 39,297, a 39 percent increase from the same month last year.

Exhibit 3.7 Labour Market

	Most Recent Period		Change from previous month	Change from previous year	Data Type
Employment	Jun-16	2,380,600	0.7%	+3.0%	Seasonally Adjusted
Unemployment rate	Jun-16	5.9%	-0.2 p.p.	+0 p.p.	Seasonally Adjusted
Participation rate	Jun-16	64.40%	+0.2 p.p.	+1.0 p.p.	Seasonally Adjusted
Average weekly earnings	Apr-16	922.85	+0.8%	+2.2%	Seasonally Adjusted

Source: Statistics Canada

Note: p.p is percentage point, used here to show the difference between two percentage rates.

B.C.'s job market gained 16,000 jobs in June (+0.7%) to reach total employment of 2.38M (3.0% above the year-ago level). The unemployment rate decreased 0.2 percentage points over the past month but remains unchanged at 5.9 percent from the previous year. At the same time, B.C.'s participation rate went up 0.2 percentage points and increased 1.0 percentage point over the past year.

Average weekly earnings reached $922.85 in April (+0.8%) and increased 2.2 percent over the past 12 months.

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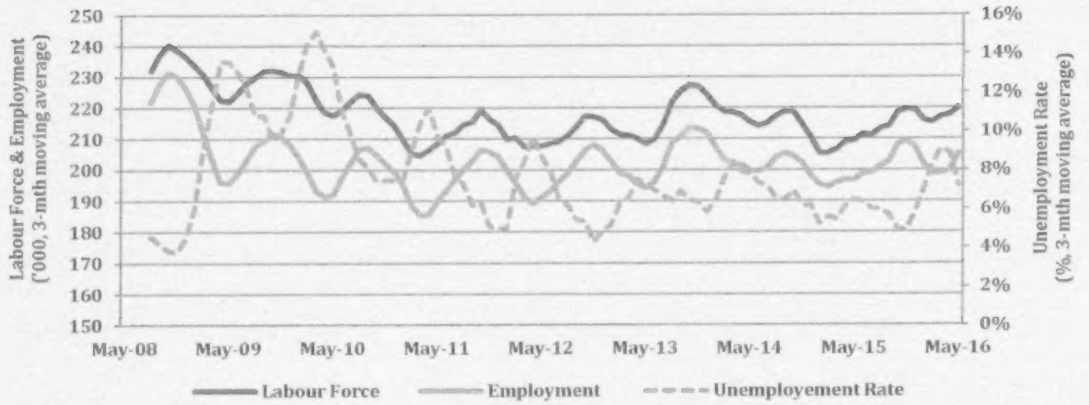
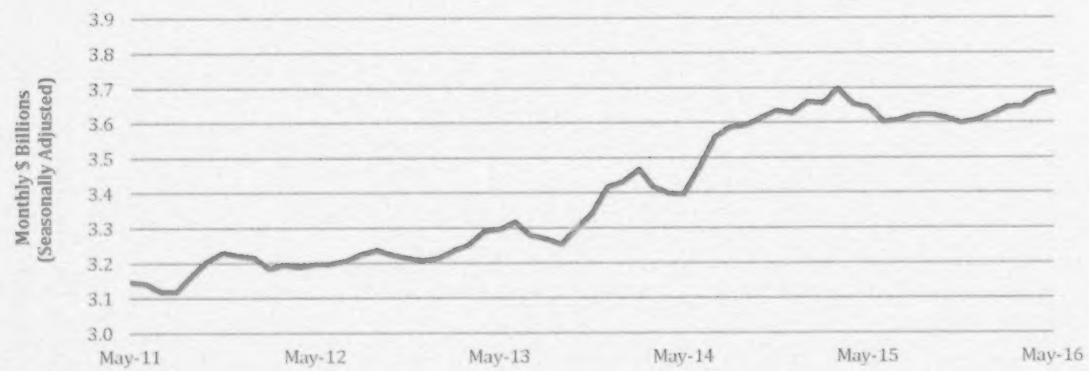
Exhibit 3.8 Construction Industry Employment



Source: Statistics Canada; North American Industry Classification System (NAICS 23)

Strong housing starts activity is driving increased demand for labour in the construction industry. In May, employment increased by 2.7 percent to 205,000 and the labour force increased 1.0 percent to 220,000. As a result, the unemployment rate fell to 7.2 percent for the industry.

Exhibit 3.9 Manufacturing Sales



Source: Statistic Canada

In total, BC's manufacturing sector gained 1.1 percent in sales, reaching $3.73B in May. Sales recovered from a loss in April, settling at 3.8 percent.

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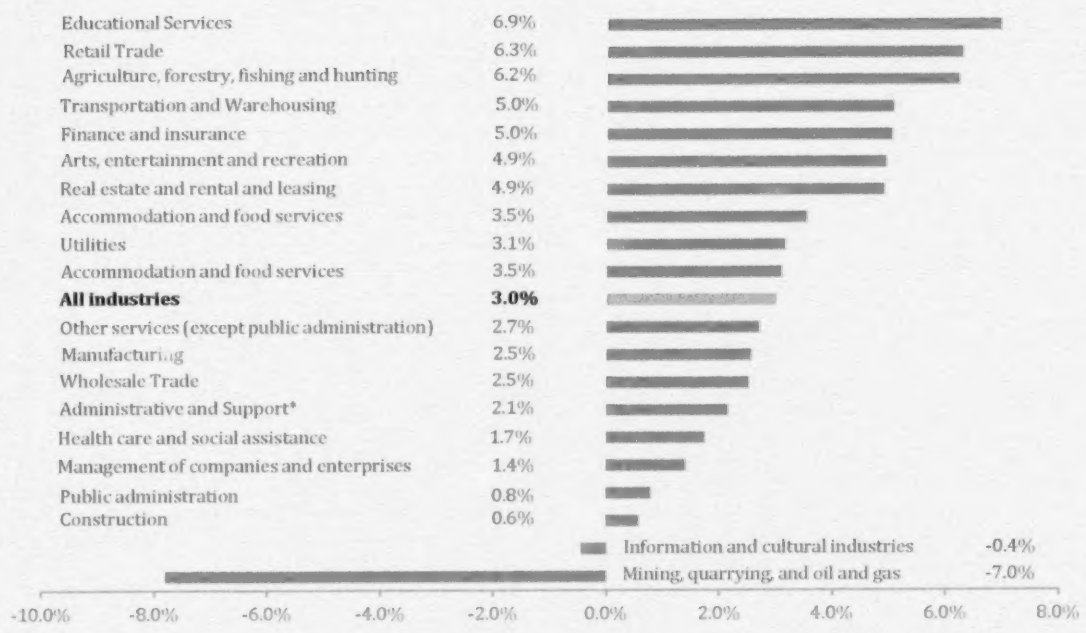
Exhibit 3.10 B.C. Gross Domestic Product Growth by Major Industry 2014-2015


Educational Services 6.9%
Retail Trade 6.3%
Agriculture, forestry, fishing and hunting 6.2%
Transportation and Warehousing 5.0%
Finance and insurance 5.0%
Arts, entertainment and recreation 4.9%
Real estate and rental and leasing 4.9%
Accommodation and food services 3.5%
Utilities 3.1%
Accommodation and food services 3.5%
All industries 3.0%
Other services (except public administration) 2.7%
Manufacturing 2.5%
Wholesale Trade 2.5%
Administrative and Support* 2.1%
Health care and social assistance 1.7%
Management of companies and enterprises 1.4%
Public administration 0.8%
Construction 0.6%
Information and cultural industries -0.4%
Mining, quarrying, and oil and gas -7.0%
-10.0% -8.0% -6.0% -4.0% -2.0% 0.0% 2.0% 4.0% 6.0% 8.0%

Source: Statistics Canada

In 2015, B.C. ranked first in GDP growth across Canada due to broad growth in most all major industries.

All but two major industries contributed to the overall growth. The main contributors to the 2015 GDP growth were educational services (+6.9%), retail trade (+6.3%), agriculture, forestry fishing and hunting (+6.2%), transportation and warehousing (+5.0%) and Finance and insurance (+5.0%). The strength in these industries reflected mostly strong consumer spending, housing activity in Canada and the U.S. and growing numbers of tourists observed in the past year. Statistics Canada noted that the high growth rate in the Educational Services is due to the recovery of the Elementary and Secondary School sector after their labour dispute in 2014.

While all major industries experienced growth, two industries faced drops in GDP. Mining, quarrying, and oil and gas extraction registered a 7.8 percent drop in 2015, mainly as a result of weak capital spending due to low commodity prices. GDP in Information and cultural industries dropped slightly by 0.4 percent, primarily due to lower GDP in Data processing, hosting, and related services (-6.7%) and Broadcasting (except internet;-4.2%).

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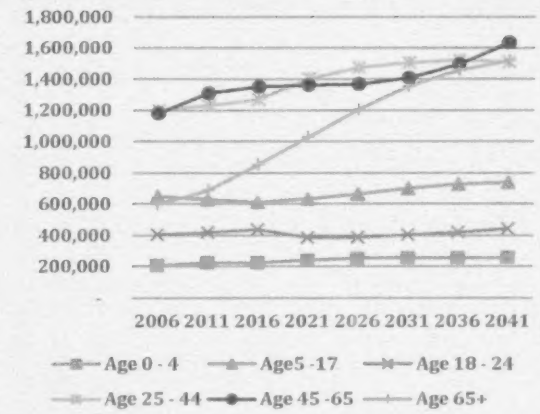
4. B.C. Demographics

Exhibit 4.1 Population by Age Group



Source: B.C. Stats

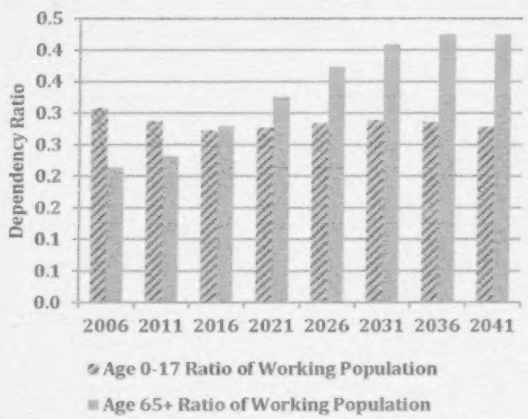
B.C.'s population is estimated at 4.7 million as of January 2016. It is expected to grow at a compound annual average rate of 1.3 percent between 2016 and 2021.

Net interprovincial migration and international migration led to a combined net gain of 1,400 people during the fourth quarter of 2015.

The natural rate of population growth (births minus deaths) led to increase of 1,682 in the population in the fourth quarter.

In 2015, millennials (ages 15-34) accounted for approximately 31 percent of the province's population, surpassing the 29 percent share of the baby boomers (ages 50-69).

Exhibit 4.2 Dependency Ratio



Source: B.C. Stats

Over the forecast horizon, the moderate number of births combined with an increase in the average age of the population will drive elderly dependency ratios higher with relatively stable child dependency ratios.

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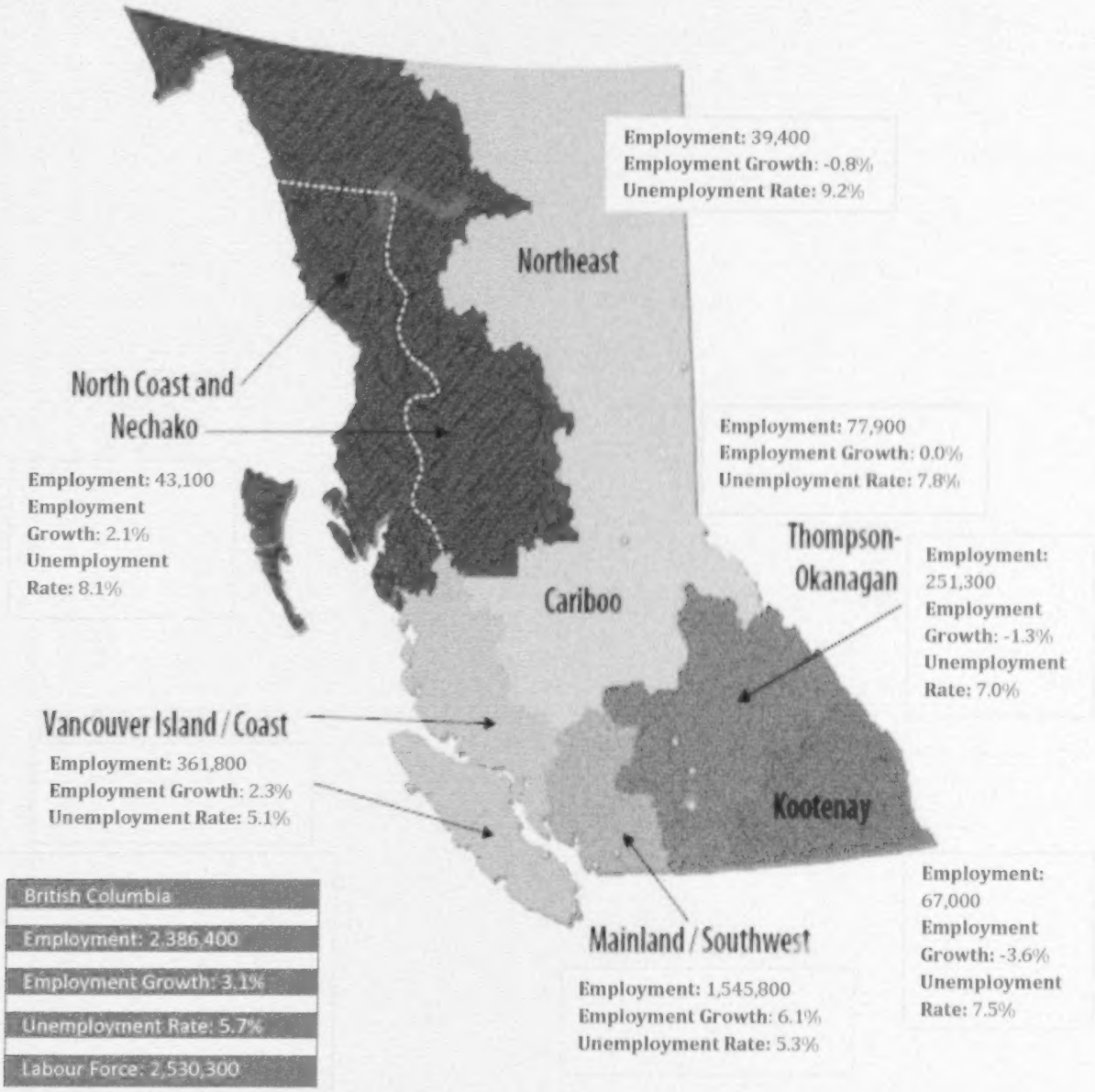
5. Regional Summaries

Regional Labour Market Statistics



Note: June 2016; seasonally unadjusted; employment growth over the previous year.
Source: B.C. Stats

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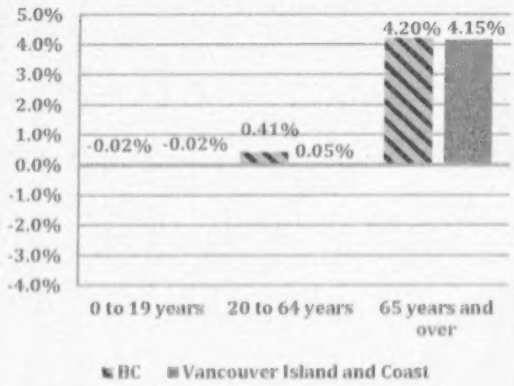
6. Vancouver Island/Coast Region

Key Economic Indicators

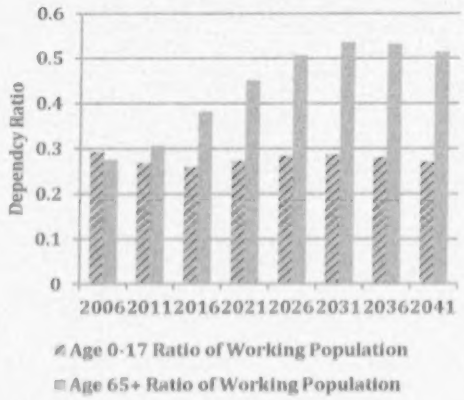
Exhibit 6.1 Population Growth 2014-2015



Source: B.C. Stats

In 2014-2015, Vancouver Island/Coast Region's population 65 years and over grew at a faster pace than the other two segments. Population aged 20 to 64 years stabilized in the previous year, while population of youth (0 to 19 years) decreased slightly.

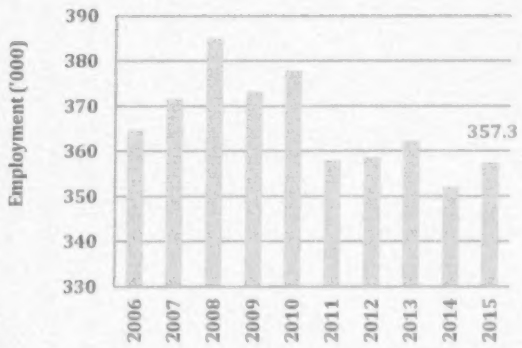
Exhibit 6.2 Dependency Ratios



Source: B.C. Stats

The region will see strong growth in the elderly dependence ratio which will be nearly double the child dependency ratio by 2031.

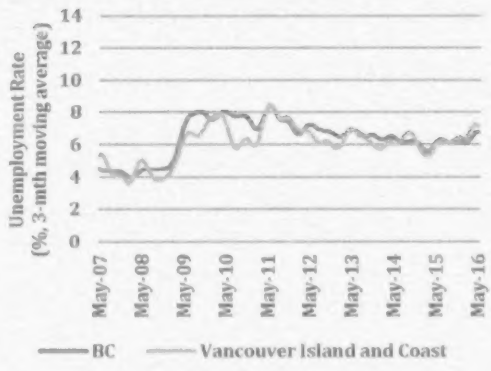
Exhibit 6.3 Employment



Source: B.C. Stats

Employment in the region rebounded 1.5 percent in 2015 but still 7.2 percent below the peak in 2008.

Exhibit 6.4 Unemployment Rate



Source: B.C. Stats

Unemployment rate peaked in May 2011 with 8.5 percent and since then dipped to 7.1 percent in May 2016, slightly above the B.C. level.

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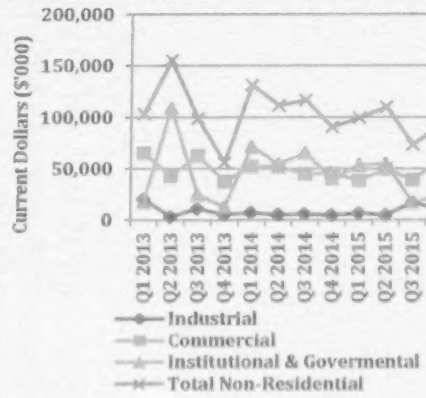
VANCOUVER ISLAND/COAST REGION

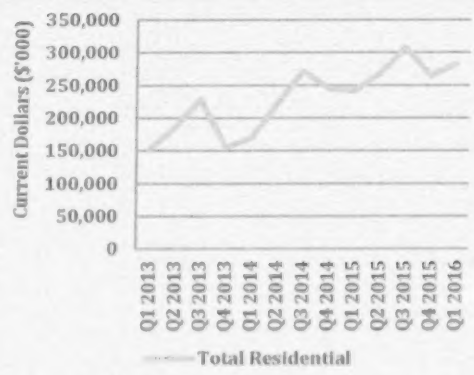
Exhibit 6.5 Value of Non-Residential Building Permits



Source: B.C. Stats

Growth in total non-residential permits over the last two quarters is due to commercial building permit growth.

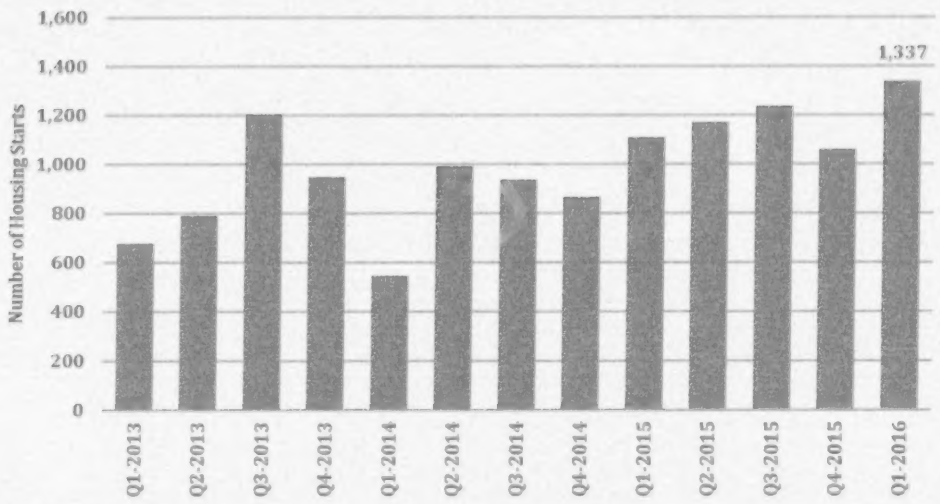
Exhibit 6.6 Value of Residential Building Permits



Source: B.C. Stats

The region is experiencing steady growth in quarterly residential building permits.

Exhibit 6.7 Housing Starts



Source: Canada Mortgage and Housing Corporation (CMHC)

Aside from a drop in the fourth quarter of 2015, housing starts in the region are growing and reached an 8-year high of 1,337 units in the first quarter of 2016.

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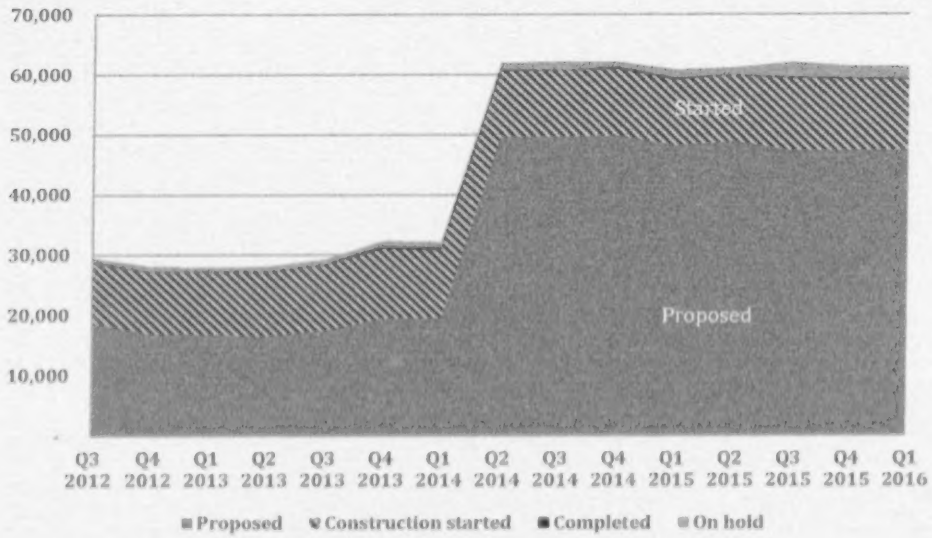
VANCOUVER ISLAND/COAST REGION

Trends in Major Projects

Exhibit 6.8 Estimated Cost Trends in Major Projects ($M)
Vancouver Island/Coast Region



Source: MPI, Q1 2016

Among regions in B.C., the Vancouver Island/Coast region has the third highest level of MPI capital cost at $61B, ranked after the North Coast and Mainland/Southwest. There was only one newly proposed project added to the MPI in the first quarter of 2016. This was the North Courtney Connector project at $15M. A significant number of projects completed in this quarter such as the Nanaimo District Office ($49M), Trades Training Facilities, Camosun College Expansion ($32M), Horsey to George Trip substation 230KV Cable Replacement ($47M) and Eagle Creek Village Mixed Use Development ($100M). No new construction was reported as starting in this quarter.

Exhibit 6.9 Estimated Cost Trends in Major Projects, by Project Status ($M)
Vancouver Island/Coast Region

Status	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Change from previous quarter	Change from previous year
Proposed	48,249	48,834	47,430	47,353	**47,453**	0.2%	-2.6%
Construction started	10,891	10,971	11,912	11,854	**11,628**	-1.9%	6.8%
Completed	225	77	170	125	**228**	82.4%	1.3%
On hold	1,415	1,206	2,481	2,016	**1,981**	-1.7%	40.0%
Total	60,780	61,088	61,993	61,348	**61,290**	-0.1%	0.8%

Source: MPI, Q1 2016

Total capital cost declined by 0.1 percent from the last quarter and, increased by 0.8 percent from the previous year.

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VANCOUVER ISLAND/COAST REGION

Exhibit 6.10 Summary of Major Projects (by Project Status)
Vancouver Island/Coast Region

	Estimated Capital Cost ($M)	Percentage of Total	Number of Projects	Average Project Value ($M)	Average Years in Inventory
Proposed	**47,453**	**77%**	**67**	**804.3**	**5.5**
Preliminary/Feasibility	33,817	71%	20	2,113.6	3.7
Consultation/Approvals	12,209	26%	38	348.8	6.3
Permitting	18	0%	1	18.0	1.1
Tender/Preconstruction	1,284	3%	5	256.8	6.8
Stage Unknown	125	0%	3	62.5	5.6
On Hold	**1,981**	**3%**	**16**	**123.8**	**9.9**
Construction Started	**11,628**	**19%**	**52**	**228.0**	**7.4**
Completed	**228**	**0.4%**	**4**	**57.0**	**3.6**
Total	**61,290**	**100%**	**139**	**471.5**	**6.6**

Source: MPI, Q1 2016

Notes: Average project value is the average of those projects for which there is a cost estimate. Average number of years in inventory is the average time span between the entry of the projects in the MPI and the updated date (March 31, 2016).

Of the $61.3B estimated capital cost for major projects in Vancouver Island/Coast Region, 77 percent consists of proposed projects with 71 percent of those being in the early preliminary/feasibility proposal stage. The average number of years in inventory is 6.6 years, an increase of 0.8 years compared to last quarter.

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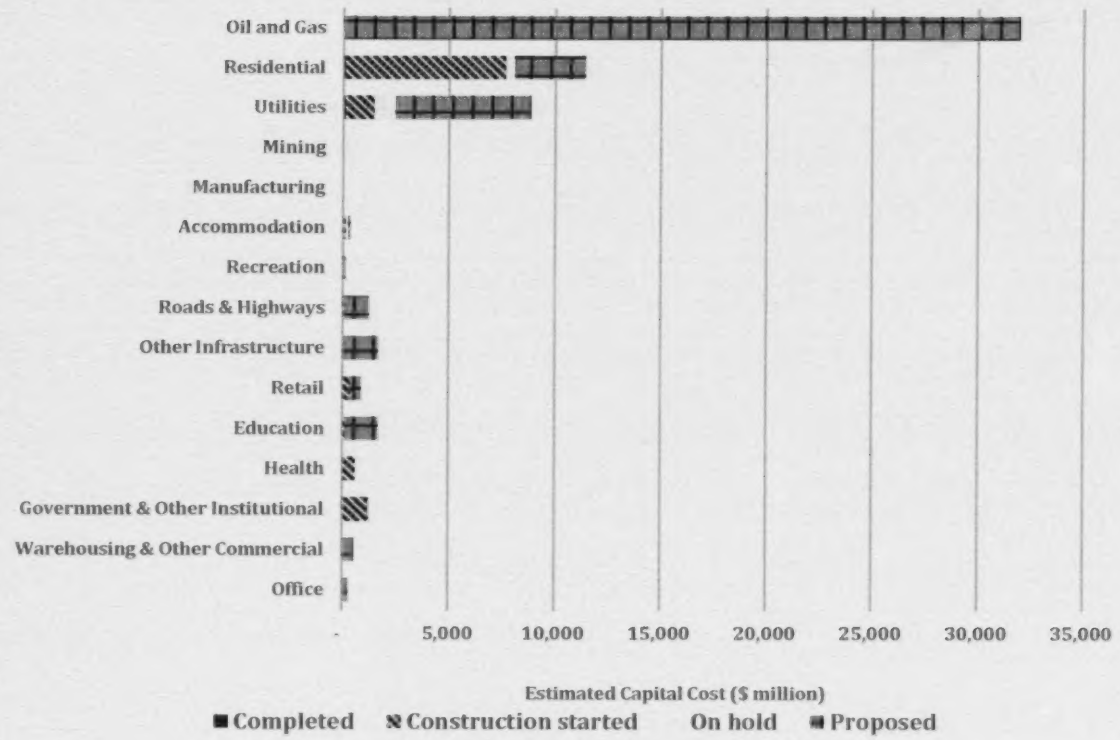
VANCOUVER ISLAND/COAST REGION

Exhibit 6.11 Major Projects Status, by Construction Subtype
Vancouver Island/Coast Region



Source: MPI, Q1 2016

Exhibit 6.11 illustrates the proportion of project status by construction subtypes in the Vancouver Island/Coast region. Projects related to oil and gas in this region, largely LNG investment proposals on the central coast, continue to have the largest share in the estimated capital cost under the proposed status in this quarter. Residential has the largest proportion of construction started in this quarter. The utilities subtype had the highest proportion of projects that are currently on hold.

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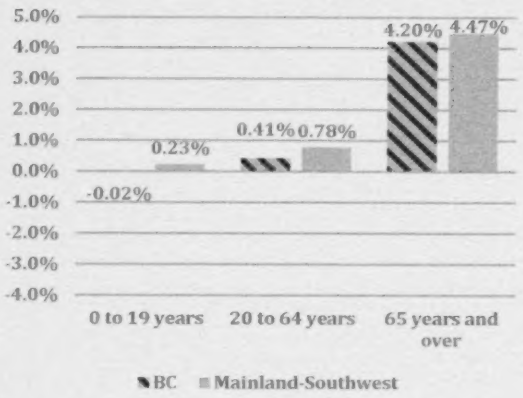
7. Mainland/Southwest Region

Key Economic Indicators

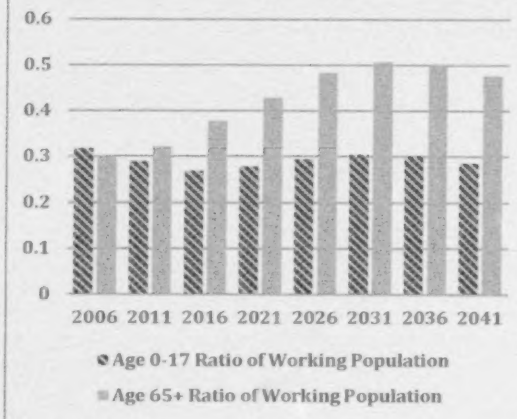
Exhibit 7.1 Population Growth 2014 - 2015



Source: B.C. Stats

The Mainland/Southwest region is the population growth leader in the province. Population aged 65 years and older grew at the fastest pace, while the youngest cohort (0 to 19 years) slightly increased.

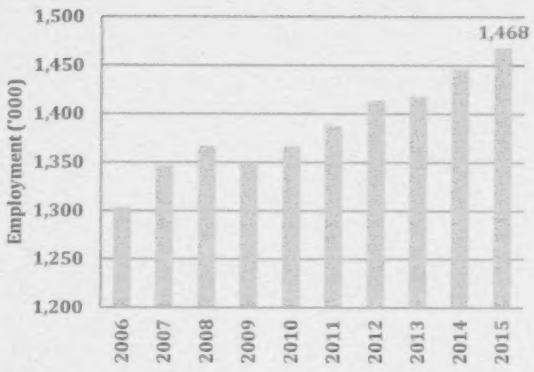
Exhibit 7.2 Dependency Ratios



Source: B.C. Stats

With in-migration and population growth, the region will see a small increase in the child dependency ratio. The elderly dependency ratio increases to a peak of 50% of the working population in 2031.

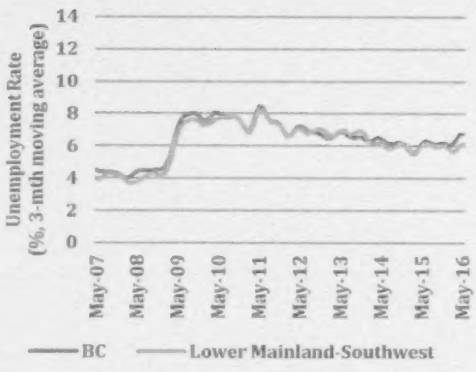
Exhibit 7.3 Employment



Source: B.C. Stats

Employment in the region has expanded year-over-year for the past 6 years. In 2015 employment levels reached 1.47M.

Exhibit 7.4 Unemployment Rate



Source: B.C. Stats

The unemployment rate peaked in May 2011 at 8.2 percent and continued to drop afterwards to 6.2 percent in May 2016, which is below the B.C. level.

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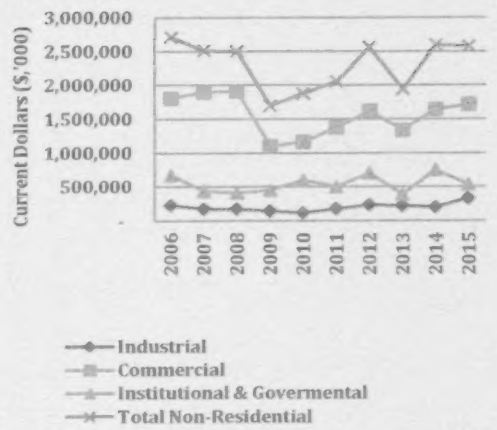
MAINLAND/SOUTHWEST REGION

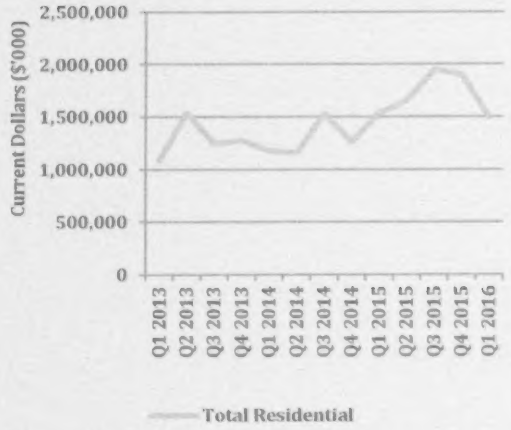
Exhibit 7.5 Value of Non-Residential Building Permits



Source: B.C. Stats

Growth in commercial building permits in the first quarter of 2016 only partially counteracted decline in industrial and institutional and governmental building permits.

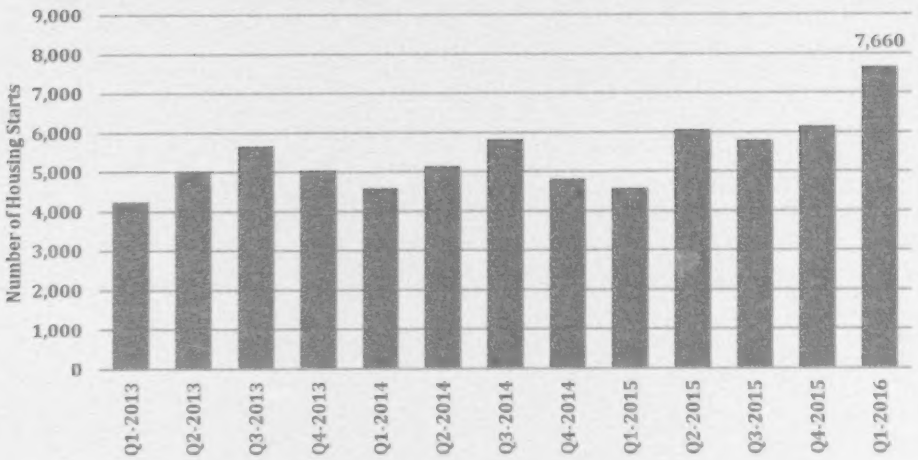
Exhibit 7.6 Value of Residential Building Permits



Source: B.C. Stats

Residential permits paused in the first quarter of 2016 after reaching historic highs in the last half of 2015.

Exhibit 7.7 Housing Starts



Source: CMHC

Housing starts peaked in the first quarter of 2016 at a historic high of 7,660 units as builders responded strongly to growth in housing demand.

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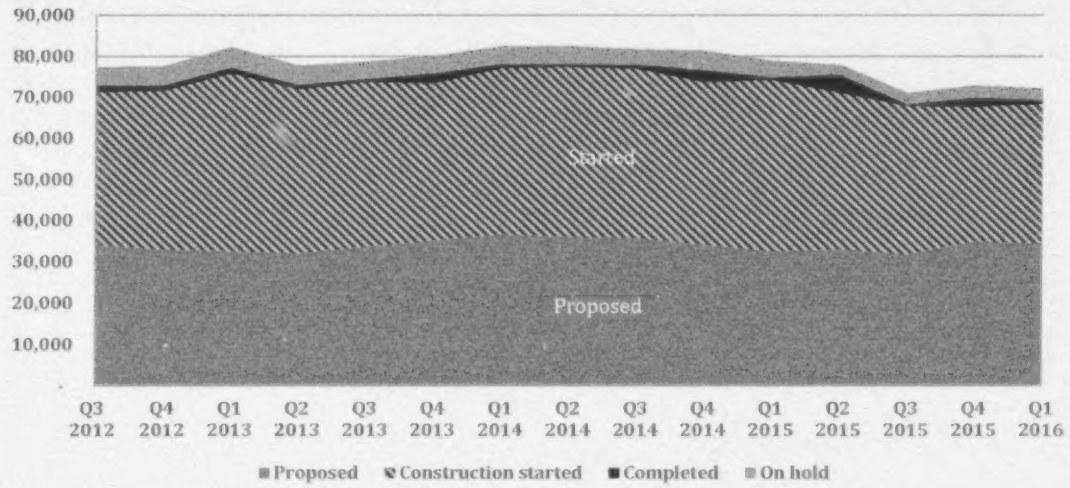
MAINLAND/SOUTHWEST REGION

Trends in Major Projects

Exhibit 7.8 Estimated Cost Trends in Major Projects ($M)
Mainland/Southwest Region



Source: MPI, Q1 2016

The Mainland/Southwest region has the second highest level of capital cost at $72B, ranked after the North Coast. There were 16 newly proposed projects added to the MPI in the first quarter of 2016, totalling a cost of $1.4B. $400M worth of projects started this quarter in New Westminster, North Vancouver, Surrey and Vancouver. A total of 13 projects were completed including North Shore Trade Area – Philip Avenue Overpass ($283M), Clayton Village Residential Development ($120M), and Surrey Area Substation Project ($94M).

Exhibit 7.9 Estimated Cost Trends in Major Projects, by Project Status ($M)
Mainland/Southwest Region

Status	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Change from previous quarter	Change from previous year
Proposed	32,586	33,174	31,877	35,007	**34,639**	-1.1%	6.3%
Construction started	41,678	37,925	36,004	32,618	**33,849**	3.8%	-18.8%
Completed	581	4,346	333	2,209	**846**	-61.7%	45.6%
On hold	4,062	2,453	2,842	3,095	**2,823**	-8.8%	-30.5%
Total	78,907	77,898	71,056	72,929	**72,157**	-1.1%	-8.6%

Source: MPI, Q1 2016

Total capital cost decreased by 1.1 percent from the last quarter and 8.6 percent from the previous year as the inventory of projects underway and on hold declined.

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MAINLAND/SOUTHWEST REGION

Exhibit 7.10 Summary of Major Projects (by Project Status)
Mainland/Southwest Region

	Estimated Capital Cost ($M)	Percentage of Total	Number of Projects	Average Project Value ($M)	Average Years in Inventory
Proposed	**34,639**	**48%**	**228**	**169.0**	**3.7**
Preliminary/Feasibility	9,296	27%	41	299.9	4.5
Consultation/Approvals	19,818	57%	120	180.2	3.6
Permitting	1474	4%	9	210.6	2.9
Tender/Preconstruction	2,182	6%	37	59.0	2.1
Stage Unknown	1869	5%	21	93.5	6.1
On Hold	**2,823**	**4%**	**20**	**148.6**	**8.0**
Construction Started	**33,849**	**47%**	**196**	**176.3**	**5.4**
Completed	**846**	**1%**	**13**	**65.1**	**4.5**
Total	**72,157**	**100%**	**457**	**168.2**	**4.7**

Source: MPI, Q1 2016
Notes: Average project value is the average of those projects for which there is a cost estimate. Average number of years in inventory is the average time span between the entry of the projects in the MPI and the updated date (March 31, 2016).

Of the $72B estimated capital cost for major projects in the Mainland/Southwest region, 48 percent consists of proposed projects, 47 percent represent projects that are underway, and 4 percent for the projects that are on hold. There is less than two percent for the projects that are completed in this quarter.

The average number of years in inventory is 4.7 years, an increase of 0.1 years compared to last quarter. It implies that, on average, the major projects stay in the inventory for roughly 4.7 years from the day the projects are recorded until they are completed or removed from the inventory.

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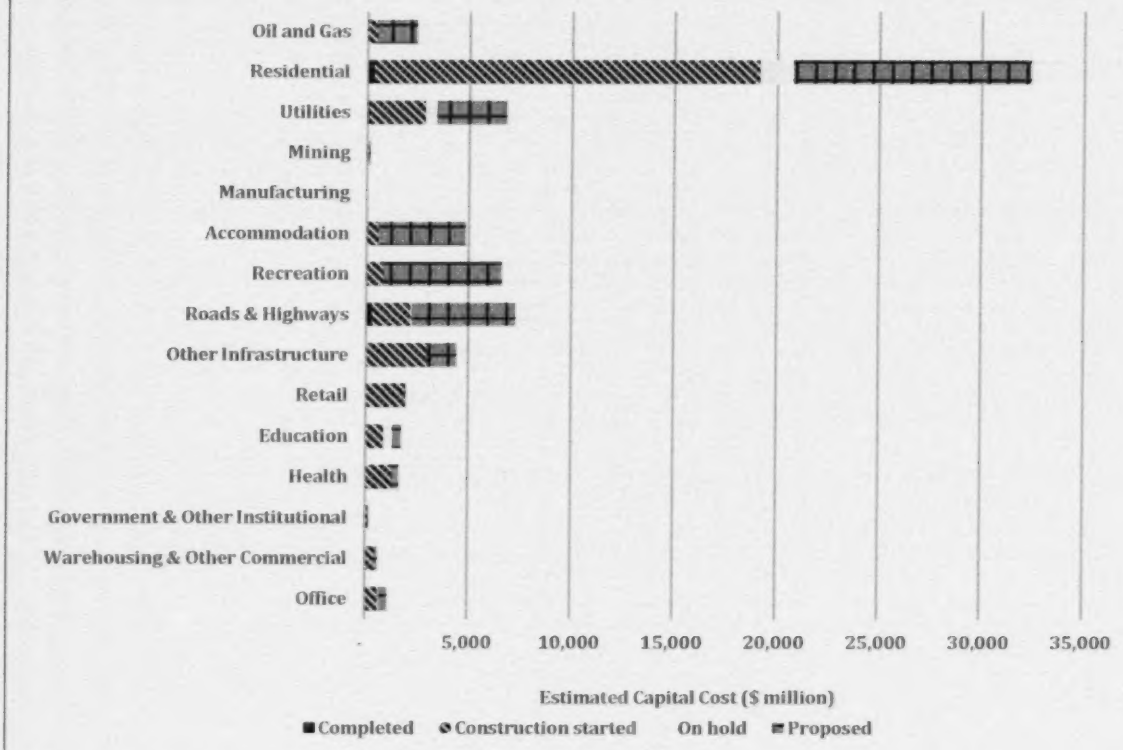
MAINLAND/SOUTHWEST REGION

Exhibit 7.11 Major Projects Status, by Construction Subtype
Mainland/Southwest Region



Source: MPI, Q1 2016

Residential projects dominate the MPI in this region. Projects classifed as roads and highways construction came in distance second.

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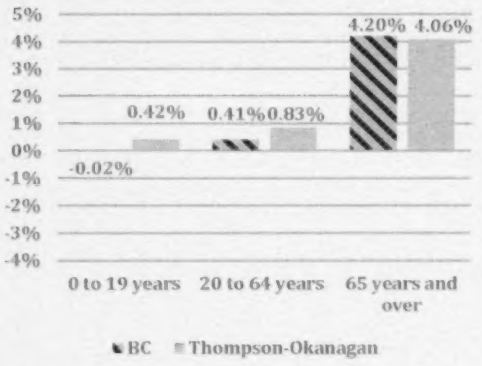
8. Thompson - Okanagan Region

Key Economic Indicators

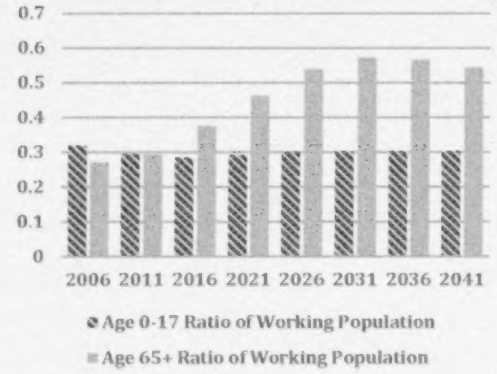
Exhibit 8.1 Population Growth 2014 - 2015



Source: B.C. Stats

This is experiencing stronger growth in younger age cohorts than the rest of the province.

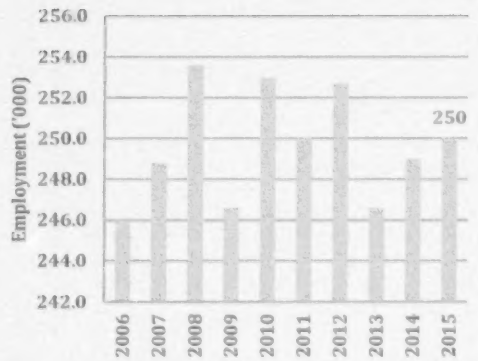
Exhibit 8.2 Dependency Ratios



Source: B.C. Stats

Over the years the ratio of elderly dependence will exceed the ratio of child dependence per household.

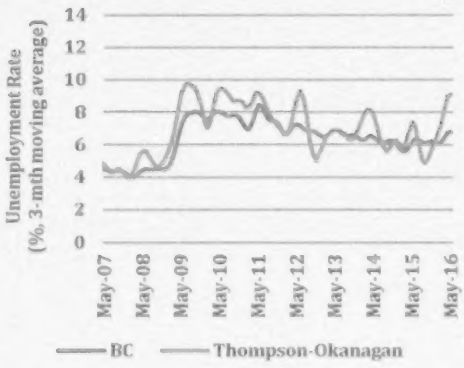
Exhibit 8.3 Employment



Source: B.C. Stats

Employment has fluctuated over the past 10 years, but has been on an upward trend since 2013. Last year's employment reached 250,000 – still below the peak in 2008.

Exhibit 8.4 Unemployment Rate



Source: B.C. Stats

The unemployment rate fluctuated above and below the B.C. level in the past 10 years and peaked at 9.8 percent in July 2009. In May 2016 the unemployment rate settled at 9.1 percent, above the B.C. level.

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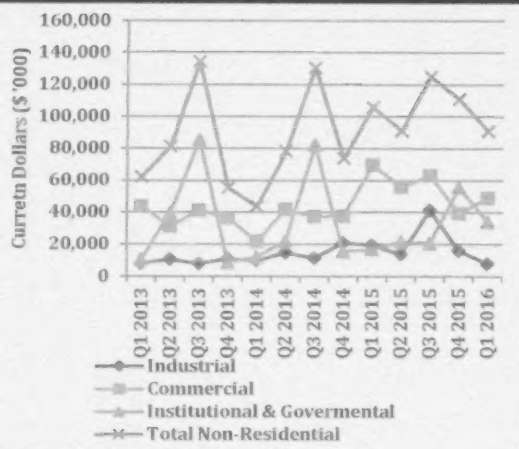
THOMPSON - OKANAGAN REGION

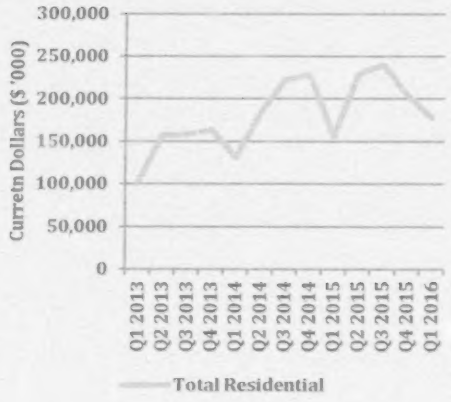
Exhibit 8.5 Value of Non-Residential Building Permits



Source: B.C. Stats

In the past 3 years, the value of institutional & governmental buildings more than tripled in value reaching $34.1M in the first quarter of 2016. Only industrial building permits shrank by 3.7%.

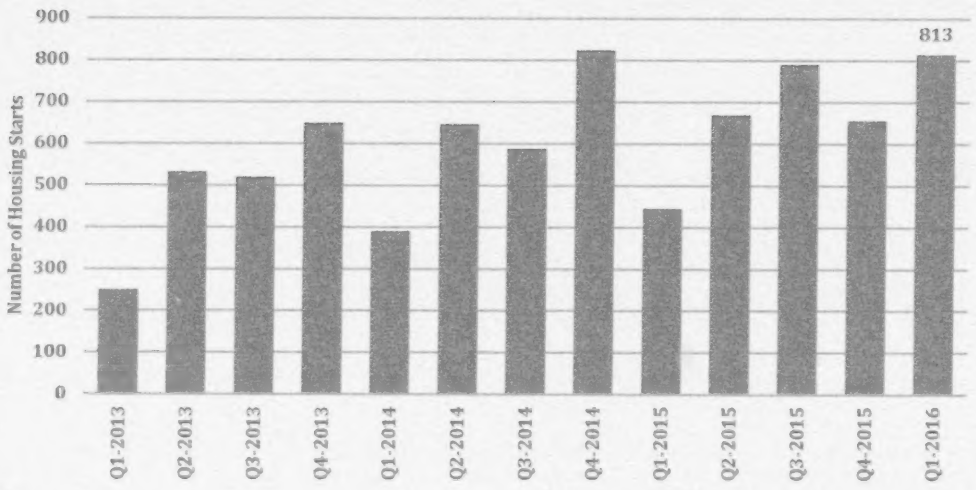
Exhibit 8.6 Value of Residential Building Permits



Source: B.C. Stats

In the past 3 years, the value of residential building permits continued to increase, settling at $177.4M in the first quarter of 2016.

Exhibit 8.7 Housing Starts



Source: CMHC

Housing starts fluctuated but increased in the past 3 years. The first quarter 2016 registered the highest number of housing starts at 813 compared to the same quarter over the past 8 years.

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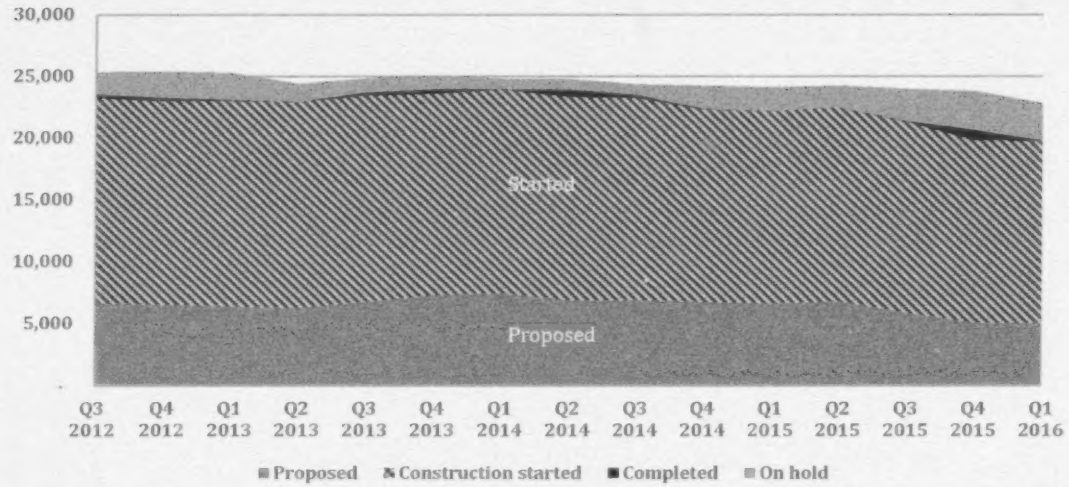
THOMPSON - OKANAGAN REGION

Trends in Major Projects

Exhibit 8.8 Estimated Cost Trends in Major Projects ($M)
Thompson-Okanagan Region



Source: MPI, Q1 2016

Among regions in B.C., Thompson-Okanagan ranked fifth in terms the level of capital cost at $22.8B. There were two construction projects started in this quarter, Highway 97 Improvements – Highway 33 to Edwards Road ($60M) and Landmark Place at Landmark Heights ($20M). No new proposed projects added and projects completed in this quarter.

Exhibit 8.9 Estimated Cost Trends in Major Projects, by Project Status ($M)
Thompson-Okanagan Region

Status	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Change from previous quarter	Change from previous year
Proposed	6,606	6,831	5,857	5,086	**5,026**	-1.2%	-23.9%
Construction started	15,570	15,610	15,436	14,711	**14,718**	0.0%	-5.5%
Completed	0	0	57	839	**0**	-	-
On hold	1,930	1,779	2,618	3,133	**3,062**	-2.3%	58.7%
Total	24,106	24,220	23,968	23,769	**22,806**	-4.1%	-5.4%

Source: MPI, Q1 2016

Total capital cost decreased by 4.1 percent from the last quarter and decreased 5.4 percent from the previous year.

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THOMPSON - OKANAGAN REGION

Exhibit 8.10 Summary of Major Projects (by Project Status)
Thompson-Okanagan Region

	Estimated Capital Cost ($M)	Percentage of Total	Number of Projects	Average Project Value ($M)	Average Years in Inventory
Proposed	**5,026**	**22%**	**41**	**136**	**5.2**
Preliminary/Feasibility	356	7%	11	45	3.4
Consultation/Approvals	3,940	78%	22	179	5.9
Permitting	90	2%	2	45	9.6
Tender/Preconstruction	475	9%	2	238	2.2
Stage Unknown	165	3%	4	55	5.5
On Hold	**3,062**	**13%**	**10**	**306**	**10.8**
Construction Started	**14,718**	**65%**	**59**	**254**	**8.1**
Completed					-
Total	**22,806**	**100%**	**110**	**217**	**7.3**

Source: MPI, Q1 2016

Notes: Average project value is the average of those projects for which there is a cost estimate. Average number of years in inventory is the average time span between the entry of the projects in the MPI and the updated date (March 31, 2016).

Of the $22.8B estimated capital cost for major projects in the Thompson-Okanagan region, 22 percent consists of proposed projects, 65 percent represents the projects which are underway and 13 percent represent the projects that are on hold. There is no project completed in this quarter.

The largest proportion of capital cost lies in the projects that have started construction in this quarter. To better understand the projects in this category, we have created sub-categories, namely proposed stages (discussed on the following page).

The average number of years in inventory is 7.3 years, an increase of 0.2 years compared to last quarter. It implies that, on average, the major projects stay in the inventory for roughly 7.3 years from the day the projects are recorded until they are completed or removed from the inventory.

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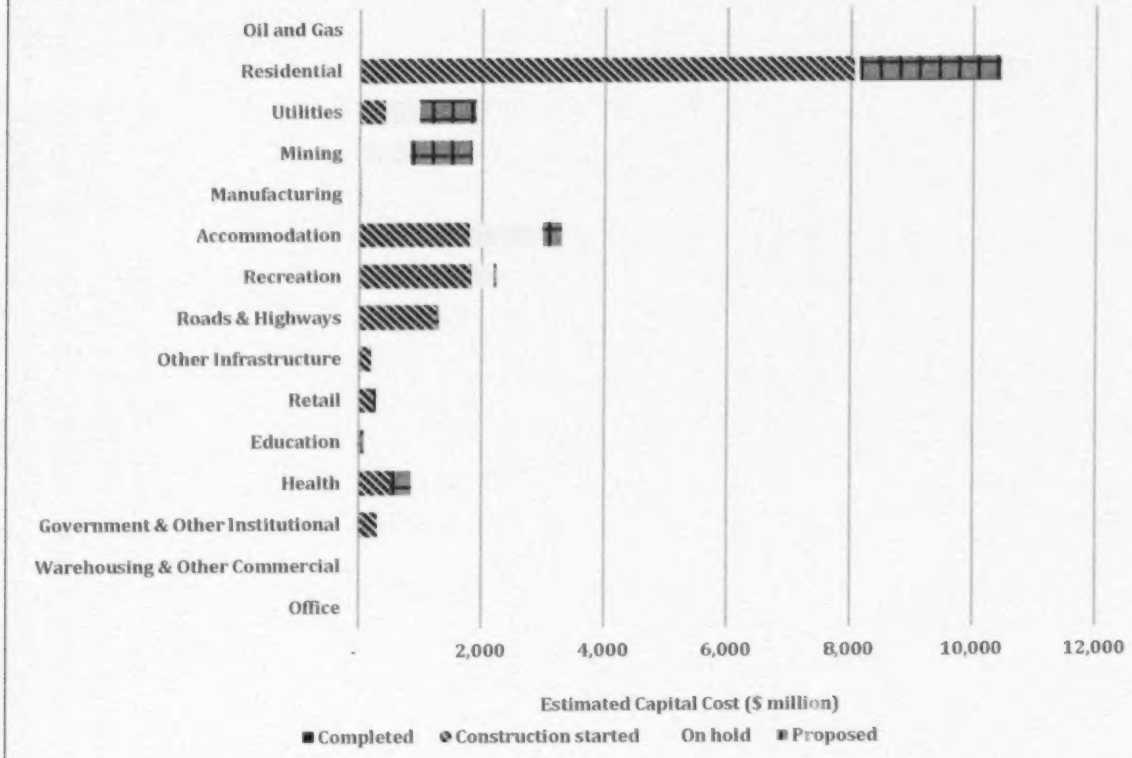
THOMPSON - OKANAGAN REGION

Exhibit 8.11 Major Projects Status, by Construction Subtype
Thompson-Okanagan Region



Source: MPI, Q1 2016

Residential projects in this region continued to have the majority of share in the total estimated capital cost in this quarter. There are multiple projects on hold in utilities, mining, accommodation, and recreation. A significant number of projects are classified as construction started.

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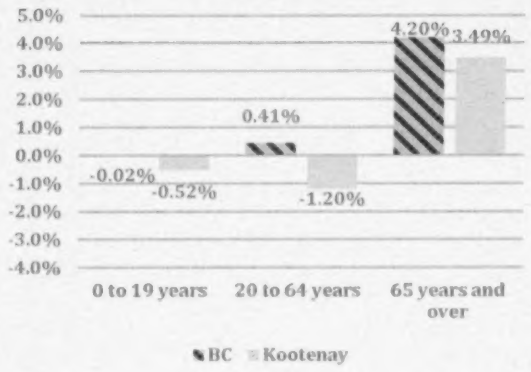
9. Kootenay Region

Key Economic Indicators

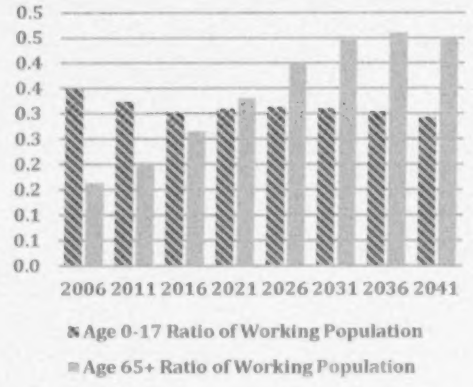
Exhibit 9.1 Population Growth 2014 - 2015



Source: B.C. Stats

Overall population is growing at a slower rate than the provincial average. The estimated population totals at 149,317 for 2014-2015 and is anticipated to grow at a 0.4 percent compounded annual rate.

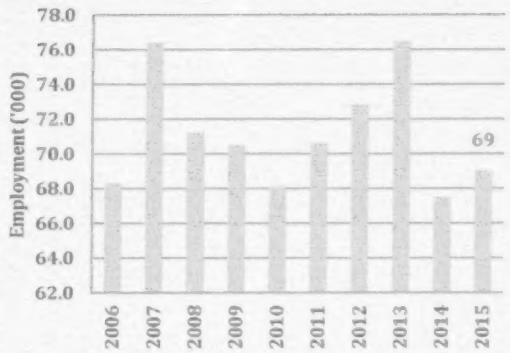
Exhibit 9.2 Dependency Ratios



Source: B.C. Stats

Over the years the ratio of elderly dependence will exceed the ratio of child dependence per household.

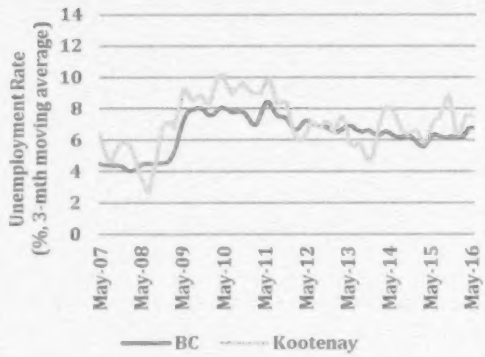
Exhibit 9.3 Employment



Source: B.C. Stats

Employment fluctuated in the past 10 years. After a sharp drop in 2014, employment levels recovered to 69,000.

Exhibit 9.4 Unemployment Rate



Source: B.C. Stats

Since June 2013 the region has had above-average unemployment and is 0.7 percentage point above the B.C. level at 7.5 percent in May 2016.

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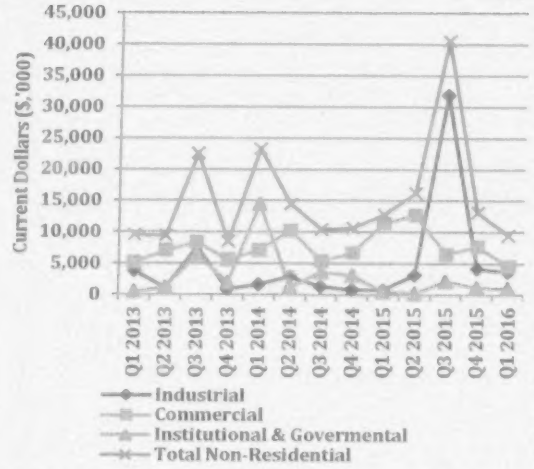
KOOTENAY REGION

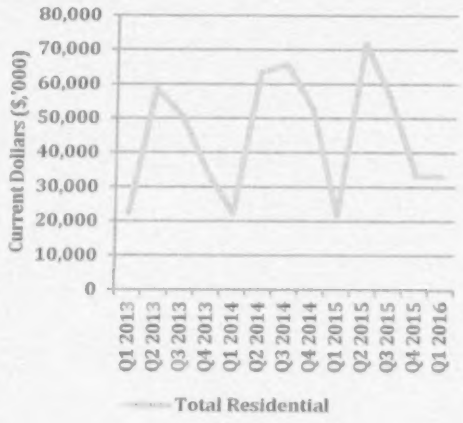
Exhibit 9.5 Value of Non-Residential Building Permits (10 Year Trend)



Source: B.C. Stats

The value of non-residential buildings in Q1 2016 decreased by 0.8% to $9.5M. However, the value of institutional & governmental building permits saw a boost and doubled in value, while other sectors experienced declines in building permit value.

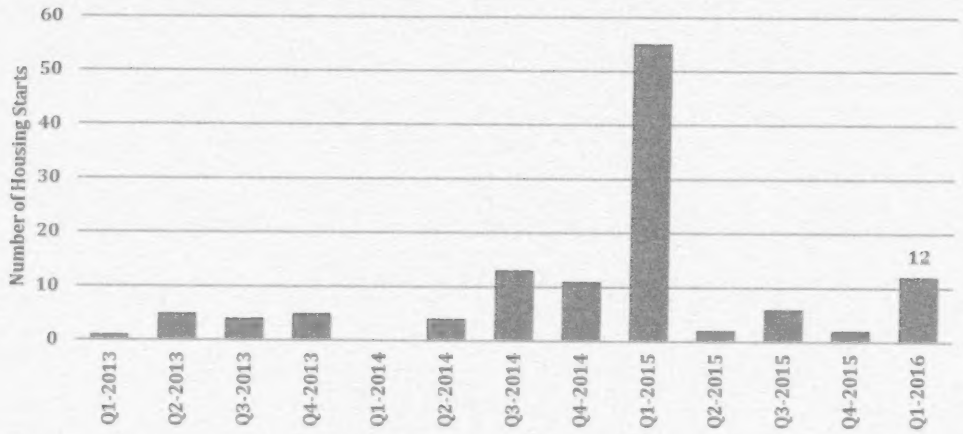
Exhibit 9.6 Value of Residential Building Permits (10 Year Trend)



Source: B.C. Stats

The value of residential building permits increased by 49.0% in the past 3 years and settled at $33.1M in the first quarter of 2016.

Exhibit 9.7 Housing Starts



Source: CMHC

Housing starts in the past 3 years peaked in the first quarter 2015 and have dropped down and settled at 12 units in the first quarter of 2016. Note that the information is available only for Nelson for the Kootenay region.

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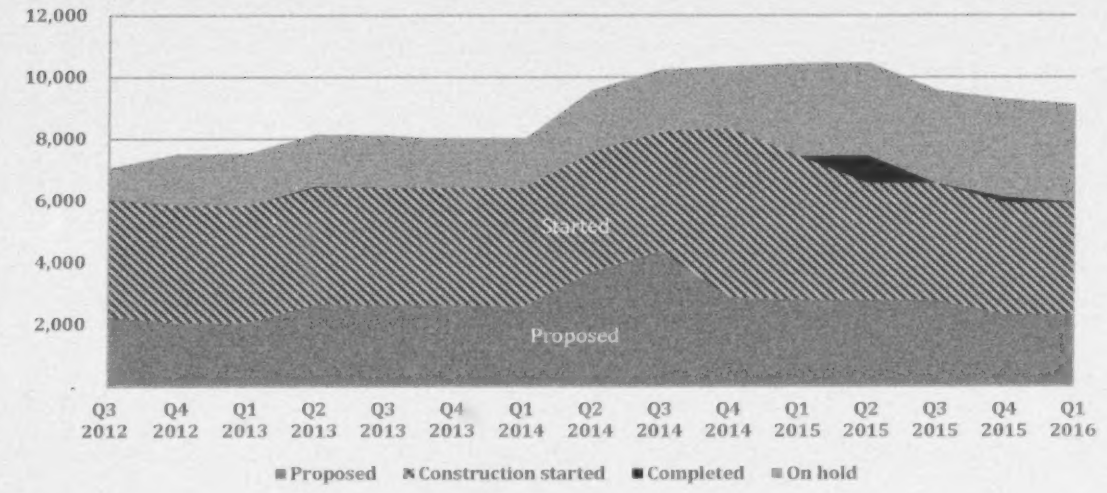
KOOTENAY REGION

Trends in Major Projects

Exhibit 9.8 Estimated Cost Trends in Major Projects ($M)
Kootenay Region



Source: MPI, Q1 2016

Among regions in B.C., the Kootenay region ranked the seventh in terms of the level of capital cost at $9.1B, above the ranking for Nechako. There were no newly proposed projects added and no projects started in the first quarter of 2016. The only project completed in this quarter was East Kootenay Regional Hospital ICU and Electrical Upgrades ($20M).

Exhibit 9.9 Estimated Cost Trends in Major Projects, by Project Status ($M)
Kootenay Region

Status	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Change from previous quarter	Change from previous year
Proposed	2,782	2,782	2,782	2,331	**2,331**	0.0%	-16.2%
Construction started	4,655	3,771	3,771	3,598	**3,578**	-0.6%	-23.1%
Completed	0	900	0	173	**20**	-88.4%	n.c.
On hold	3,005	3,005	3,005	3,180	**3,180**	0.0%	5.8%
Total	10,442	10,458	9,558	9,282	**9,109**	-1.9%	-12.8%

Source: MPI, Q1 2016

The total capital cost decreased by 1.9 percent from the last quarter and declined by 12.8 percent from the previous year.

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KOOTENAY REGION

Exhibit 9.10 Summary of Major Projects (by Project Status)
Kootenay Region

	Estimated Capital Cost ($M)	Percentage of Total	Number of Projects	Average Project Value ($M)	Average Years in Inventory
Proposed	**2,331**	**26%**	**6**	**466.2**	**4.8**
Preliminary/Feasibility	0	0%	1	0.0	2.1
Consultation/Approvals	1,961	84%	4	490.3	4.0
Permitting	0	0%	0	0.0	0.0
Tender/Preconstruction	370	16%	1	370.0	10.3
Stage Unknown	0	0%	0	0.0	0.0
On Hold	**3,180**	**35%**	**8**	**397.5**	**9.7**
Construction Started	**3,578**	**39%**	**13**	**275.2**	**11.9**
Completed	**20**	**0%**	**1**	**20.0**	**2.8**
Total	9,109	100%	28	337.4	9.4

Source: MPI; LMIO calculations

Notes: Average project value is the average of those projects for which there is a cost estimate. Average number of years in inventory is the average time span between the entry of the projects in the MPI and the updated date (March 31, 2016).

Of the $9.1B estimated capital cost for major projects in the Kootenay region, 26 percent consists of proposed projects, 39 percent represents the projects that are underway, 35 percent for the projects that are on hold, and 20 percent for the projects that are completed in this quarter.

The average number of years in inventory is 9.4 years, an increase of 0.5 years compared to last quarter. It implied that, on average, the major projects stay in the inventory for roughly 7.3 years from the day the projects are recorded until they are completed or removed from the inventory.

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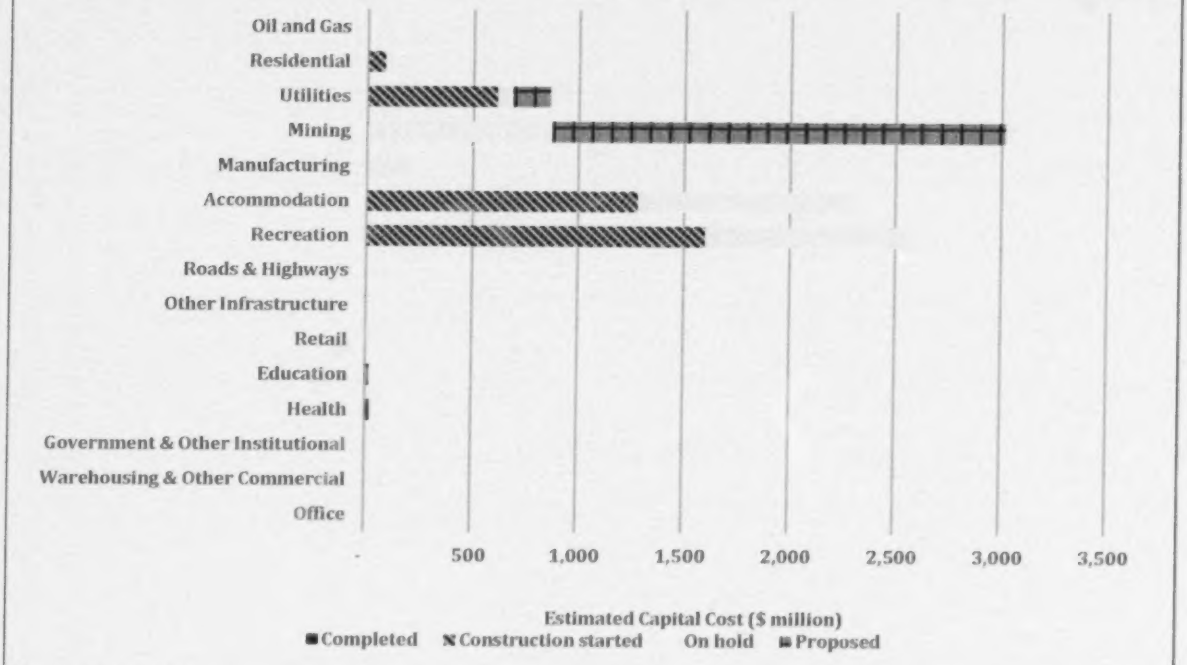
KOOTENAY REGION

Exhibit 9.11 Major Projects Status, by Construction Subtype
Kootenay Region



Source: MPI, Q1 2016

Mining projects have the largest share of the MPI in this region, but these projects are either on hold or still proposed. Other key categories are Accommodation and Recreation projects, a large proportion of which are under construction.

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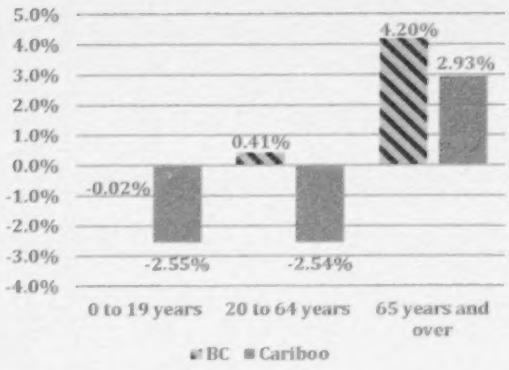
10. Cariboo Region

Key Economic Indicators

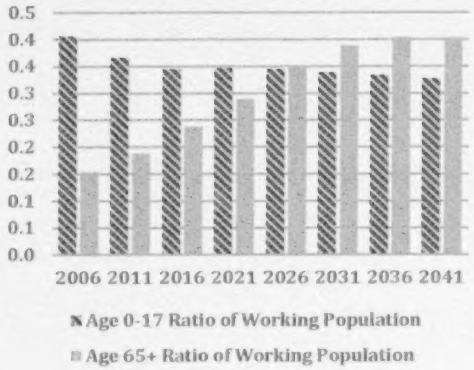
Exhibit 10.1 Population Growth 2014 - 2015



Source: B.C. Stats

Estimated population is 58,603 for 2014-2015 and is anticipated to grow at a 0.6 percent compounded annual rate. Compared to overall B.C. numbers the two younger age cohorts shrank at a faster pace than B.C. counterparts in 2015 from 2014. The population is aging at a slower rate than other parts of B.C..

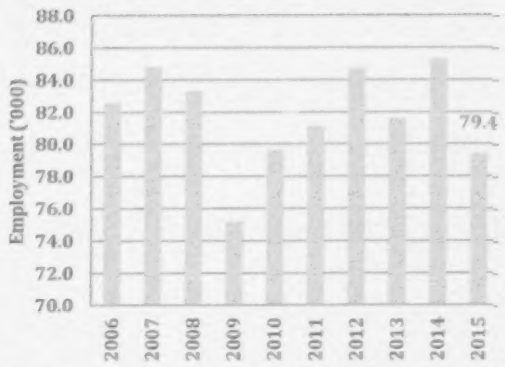
Exhibit 10.2 Dependency Ratios



Source: B.C. Stats

This region has a higher than average child dependency ratio that will be declining moderately to 2041. The elderly dependency ratio is also lower than the provincial average and will be growing with the aging of the population.

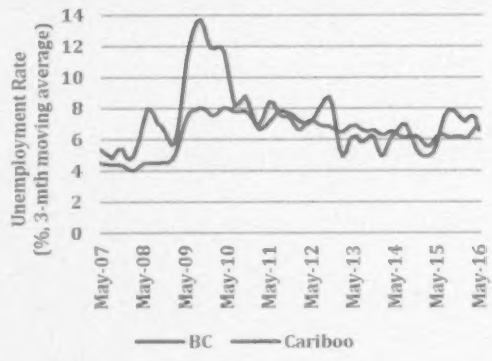
Exhibit 10.3 Employment



Source: B.C. Stats

Employment fluctuated in the past 10 years. After the peak in 2014, employment slumped to 79,400 in 2015.

Exhibit 10.4 Unemployment Rate



Source: B.C. Stats

In May 2016, the unemployment rate reached 6.6 percent, well below a peak of 13.7 percent in September 2009.

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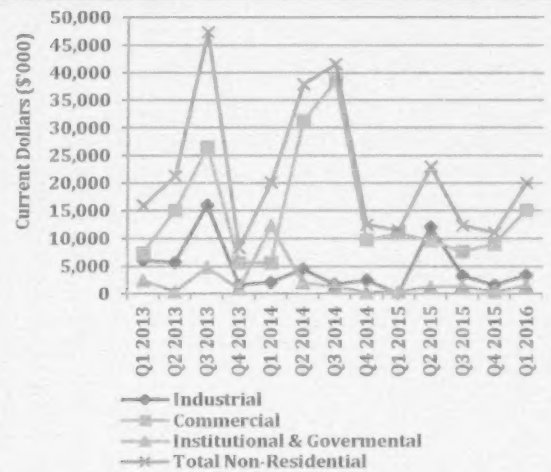
CARIBOO REGION

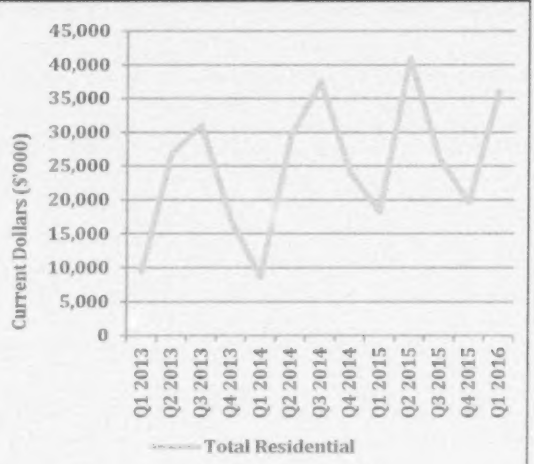
Exhibit 10.5 Value of Non-Residentail Building Permits



Source: B.C. Stats

The quarterly data for the past 3 years shows a 25.8% increase in total value of non-residential building in Q1 2016, mainly due to a boost in commercial building permits which doubled in value.

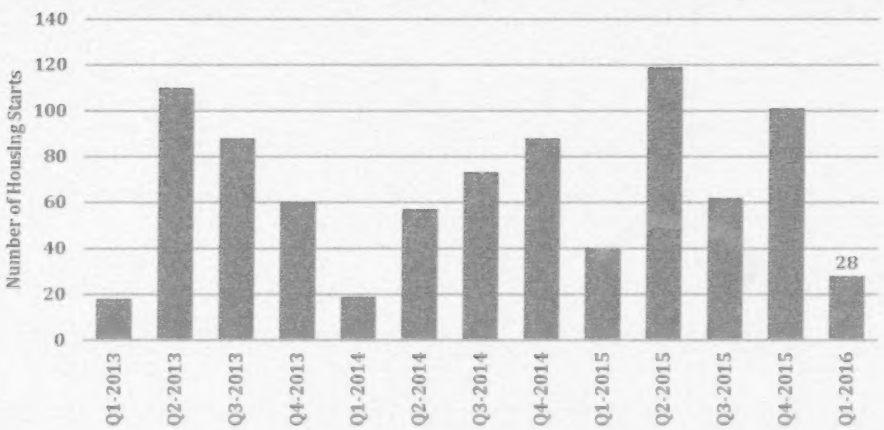
Exhibit 10.6 Value of Residential Building Permits



Source: B.C. Stats

Despite the seasonal fluctuations, the value of residential building permits more than tripled over the past 3 years, reaching $36,0M in the first quarter of 2016.

Exhibit 10.7 Housing Starts



Source: CMHC

Housing starts deviated in the past 3 years and peaked in the second quarter of 2015. Besides the seasonal effect, the region experienced a slight upward trend. The first quarter of 2016 registered 28 housing starts, the strongest first quarter in the past 5 years.

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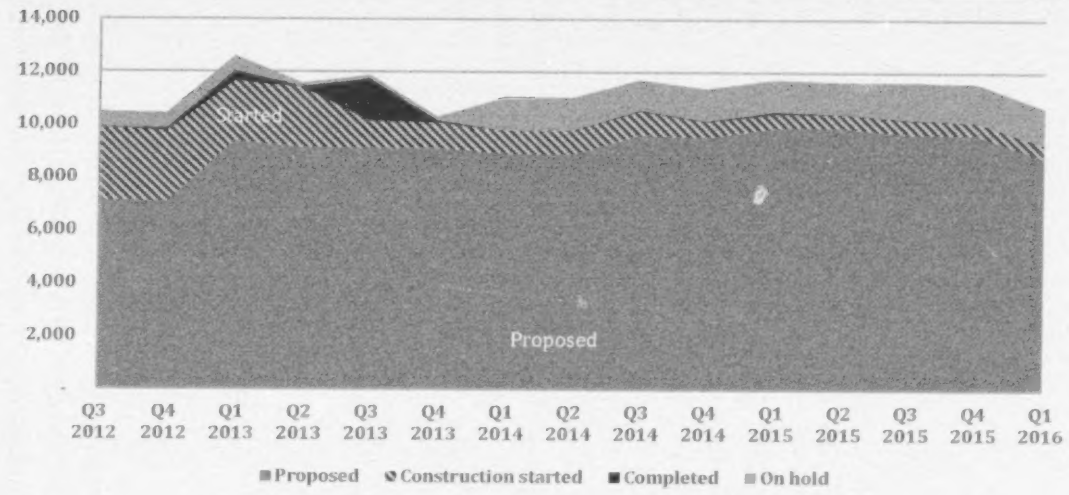
CARIBOO REGION

Trends in Major Projects

Exhibit 10.8 Estimated Cost Trends in Major Projects ($M)
Cariboo Region



Source: MPI, Q1 2016

Among regions in B.C., the Cariboo region ranked the sixth in terms of the level of capital cost at $10B. There was a newly proposed project added to the MPI in the first quarter of 2016, Salmon River Bridge Replacement ($24M). There was no project started or completed in this quarter.

Exhibit 10.9 Estimated Cost Trends in Major Projects, by Project Status ($M)
Cariboo Region

Status	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Change from previous quarter	Change from previous year
Proposed	9,915	9,915	9,695	9,650	8,804	-8.8%	-11.2%
Construction started	520	520	520	480	480	0.00%	-7.7%
Completed	80	0	20	0	0		
On hold	1,213	1,213	1,413	1,458	1,383	-5.1%	14.0%
Total	11,728	11,648	11,648	11,588	10,667	-8.0%	-9.1%

Source: MPI, Q1 2016

The total capital cost decreased by 8 percent from the last quarter and increased by 9 percent from the previous year.

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CARIBOO REGION

Exhibit 10.10 Summary of Major Projects (by Project Status)
Cariboo Region

	Estimated Capital Cost ($M)	Percentage of Total	Number of Projects	Average Project Value ($M)	Average Years in Inventory
Proposed	**8,804**	**83%**	**19**	**489.1**	**6.1**
Preliminary/Feasibility	1,646	19%	6	329.2	3.0
Consultation/Approvals	7,128	81%	11	648.0	8.0
Permitting	0	0%	0	0	0
Tender/Preconstruction	0	0%	0	0	0
Stage Unknown	30	0%	2	15.0	4.8
On Hold	**1,383**	**13%**	**6**	**276.6**	**10.6**
Construction Started	**480**	**4%**	**2**	**240.0**	**7.3**
Completed	**0**	**0%**	**0**	**0.0**	**0.0**
Total	10,667	100%	27	426.7	7.2

Source: MPI, Q1 2016

Notes: Average project value is the average of those projects for which there is a cost estimate. Average number of years in inventory is the average time span between the entry of the projects in the MPI and the updated date (March 31, 2016).

Of the $10.7B estimated capital cost for major projects in the Cariboo region, 83 percent consists of proposed projects, 4 percent represents the projects which are underway, 13 percent for the projects that are on hold, and there is no project completed in this quarter.

The average number of years in inventory is 7.2 years, an increase of 0.1 years compared to last quarter. It implies that, on average, the major projects stay in the inventory for roughly 7.2 years from the day the projects are recorded until they are completed or removed from the inventory.

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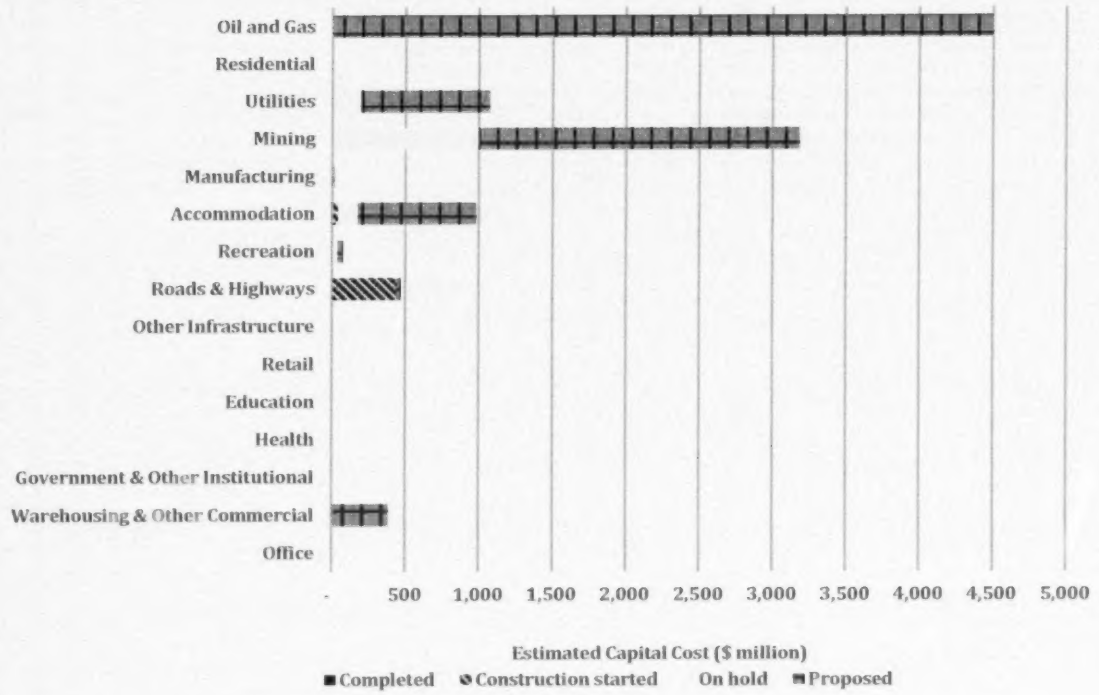
CARIBOO REGION

Exhibit 10.11 Major Projects Status, by Construction Subtype
Cariboo Region



Source: MPI, Q1 2016

Oil and gas projects have the largest share of the Cariboo's MPI – all have the status of proposed. Significant proportions of projects are currently on hold in mining, utilities, and accommodation.

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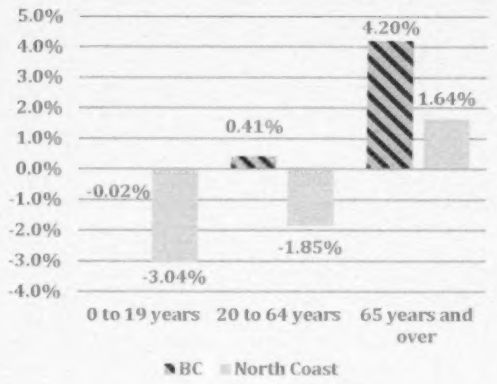
11. North Coast Region

Key Economic Indicators

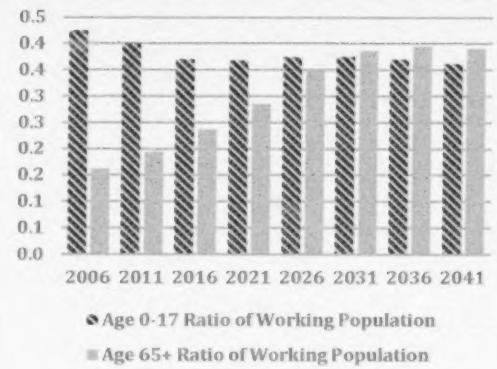
Exhibit 11.1 Population Growth 2014 - 2015



Source: B.C. Stats

The estimated population was 58,423 in 2014-2015 and is lagging growth in the rest of the province.

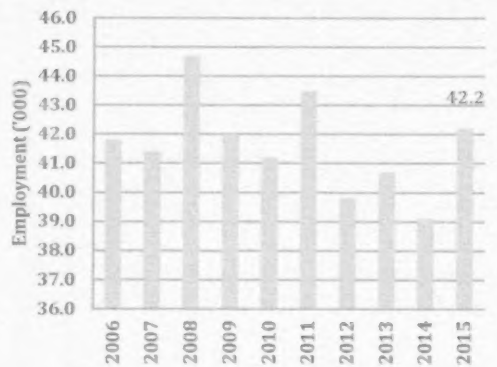
Exhibit 11.2 Dependency Ratios



Source: B.C. Stats

The region has a younger population than the rest of the province which is why the child dependency ratio is higher than the elderly dependency ratio. By 2014, the elderly dependency ratio will catch up to the child dependency ratio.

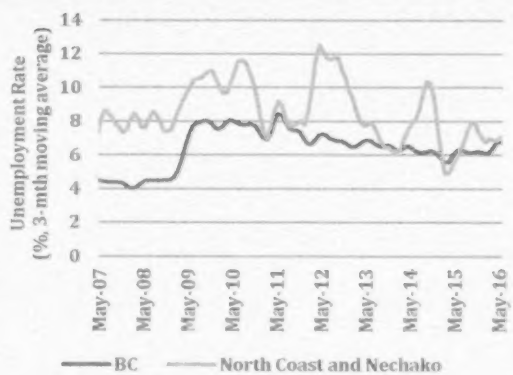
Exhibit 11.3 North Coast & Nechako Employment



Source: B.C. Stats. North Coast & Nechako combined.

Employment fluctuated over the past 10 years and peaked in 2008. Last year, employment spiked to 42,200, still below 2008 levels.

Exhibit 11.4 North Coast & Nechako Unemployment Rate



Source: B.C. Stats. North Coast & Nechako combined.

The unemployment rate has generally fluctuated above B.C. levels, aside from the spring of 2015. Since the peak at 12.5 percent in April 2012, the unemployment rate was 7.1 percent in May 2016.

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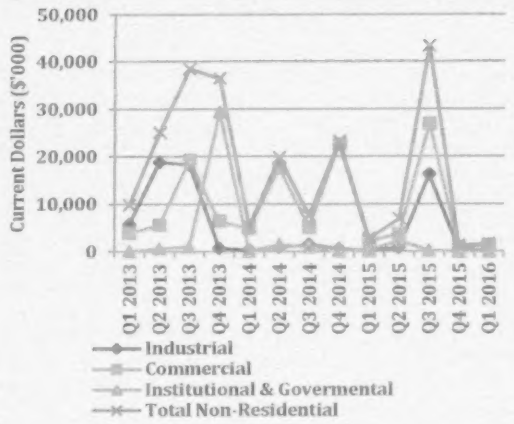
NORTH COAST REGION

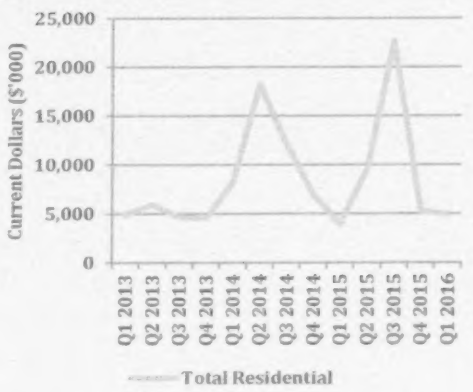
Exhibit 11.5 Value of Non-Residential Building Permits



Source: B.C. Stats

Non-residential building permits in this region are variable and influenced by individual project timing. Values reached historically low levels in Q1 2016.

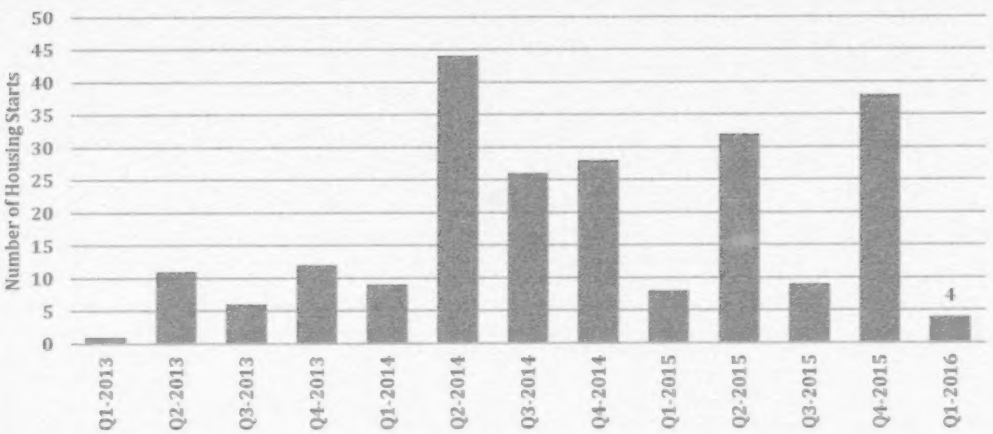
Exhibit 11.6 Value of Residential Building Permits



Source: B.C. Stats

The quarterly data show strong fluctuations in the past 3 years. Q1 2016 residential permits totaled $4,9M – 0.5% above 3-years ago level.

Exhibit 11.7 Housing Starts



Source: CMHC

Housing starts fluctuated and are relatively low and variable in this region.

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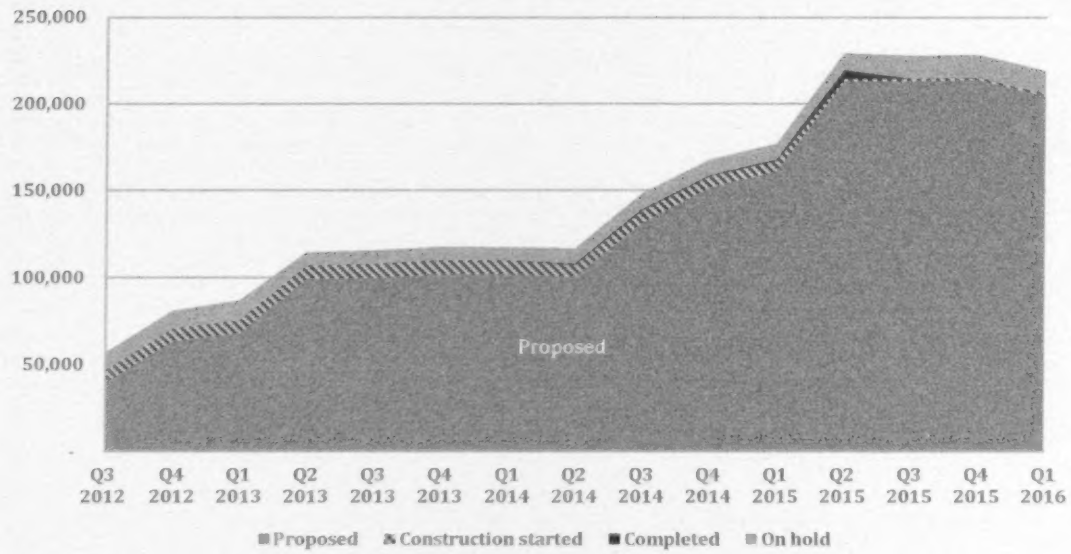
NORTH COAST REGION

Trends in Major Projects

Exhibit 11.8 Estimated Cost Trends in Major Projects ($M)
North Coast Region



Source: MPI, Q1 2016

Among regions in B.C., the North Coast region ranked the highest in terms of the level of capital cost at $219B. No new proposed projects were added to the MPI in the first quarter of 2016. Brucejack Gold Project ($811M) started in this quarter.

Exhibit 11.9 Estimated Cost Trends in Major Projects, by Project Status ($M)
North Coast Region

Status	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Change from previous quarter	Change from previous year
Proposed	161,246	213,259	213,374	213,964	**204,323**	-4.5%	26.7%
Construction started	5,953	1,123	1,133	1,058	**1,369**	29.4%	-77.0%
Completed	643	4890	0	75	**0**		
On hold	9,142	9,911	13,326	13,221	**13,221**	0.0%	44.6%
Total	176,984	229,183	227,833	228,318	**218,913**	-4.1%	23.7%

Source: MPI, Q1 2016

The total capital cost decreased by 4.1 percent from the last quarter, an increase of 23.7 percent from the previous year driven by growth in proposed projects.

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NORTH COAST REGION

Exhibit 11.10 Summary of Major Projects (by Project Status)
North Coast Region

	Estimated Capital Cost ($M)	Percentage of Total	Number of Projects	Average Project Value ($M)	Average Years in Inventory
Proposed	**204,323**	**93%**	**46**	**5376.9**	**4.9**
Preliminary/Feasibility	34,401	17%	13	3440.1	4.3
Consultation/Approvals	162,247	79%	28	6760.3	5.1
Permitting	5000	2%	1	5000.0	3.3
Tender/Preconstruction	2,075	1%	2	1037.5	9.0
Stage Unknown	600	0%	2	600.0	3.7
On Hold	**13,221**	**6%**	**11**	**1201.9**	**9.6**
Construction Started	**1,369**	**1%**	**6**	**228.2**	**6.6**
Completed	**0**	**0%**	**0**	**0**	**0**
Total	**218,913**	**100%**	**63**	**3980.2**	**5.9**

Source: MPI; LMIO calculations

Notes: Average project value is the average of those projects for which there is a cost estimate. Average number of years in inventory is the average time span between the entry of the projects in the MPI and the updated date (March 31, 2016).

Of the $219B estimated capital cost for major projects in the North Coast region, 93 percent consists of proposed projects, 1 percent represents the projects which are underway, and 6 percent for the projects that are on hold. There is no project completed in this quarter.

The average number of years in inventory is 5.9 years, an increase of 0.3 years compared to last quarter. It implies that, on average, the major projects stay in the inventory for roughly 5.9 years, from the day the projects are recorded until they are completed or removed from the inventory.

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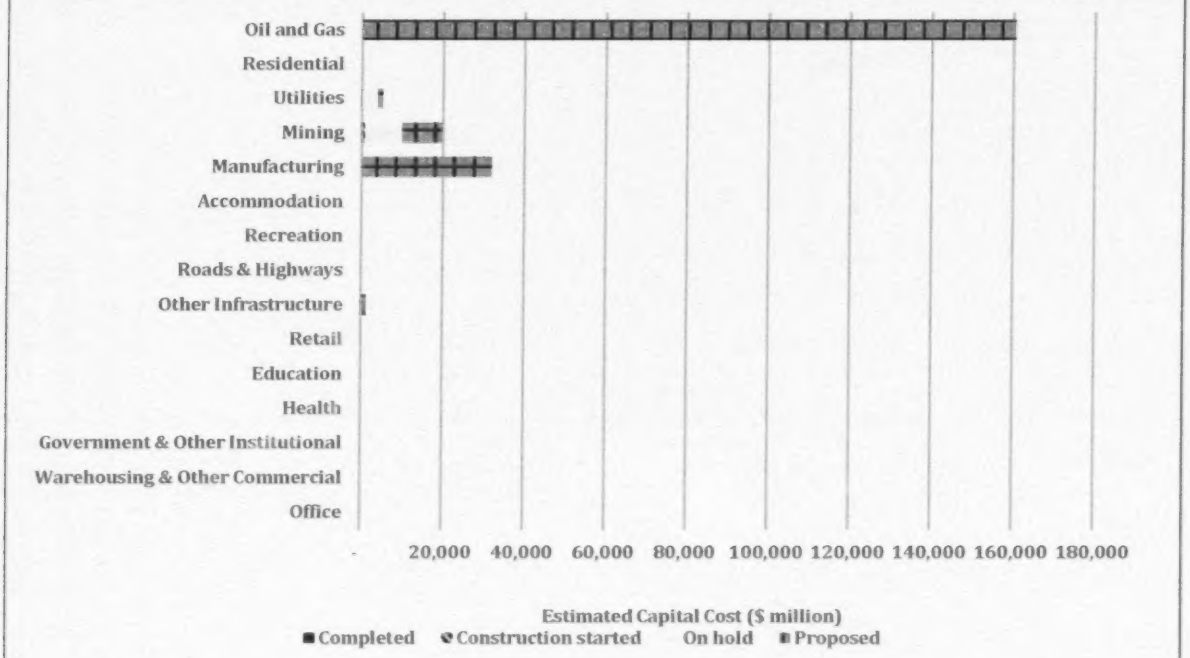
NORTH COAST REGION

Exhibit 11.11 Major Projects Status, by Construction Subtype
North Coast Region



Source: MPI, Q1 2016

Proposed Oil and gas projects, primarily LNG related, continued to have the largest share of the North Coast's MPI.

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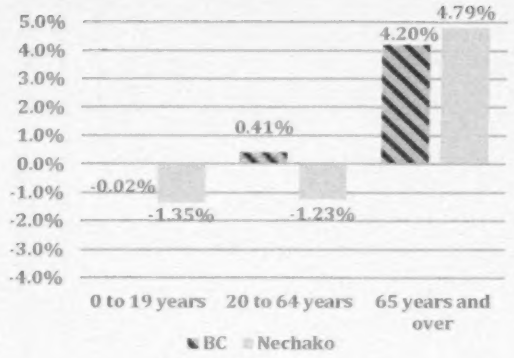
12. Nechako Region

Key Economic Indicators

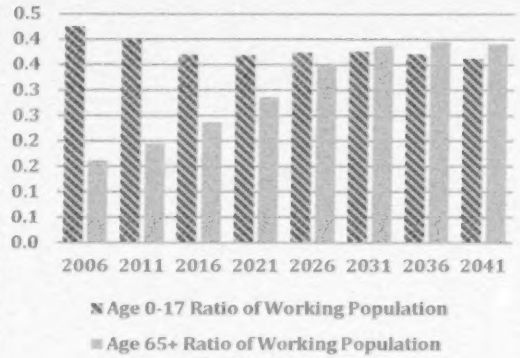
Exhibit 12.1 Population Growth 2014 - 2015



Source: B.C. Stats

The estimated population totaled 42,149 for 2014-2015 and has an aging population.

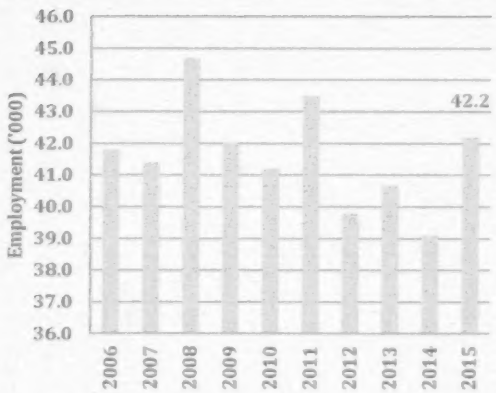
Exhibit 12.2 Dependency Ratios



Source: B.C. Stats

Like the North Coast, the region has a younger than average population. Over the years, the ratio of elderly dependency will reach the same level as the child dependency ratio per household.

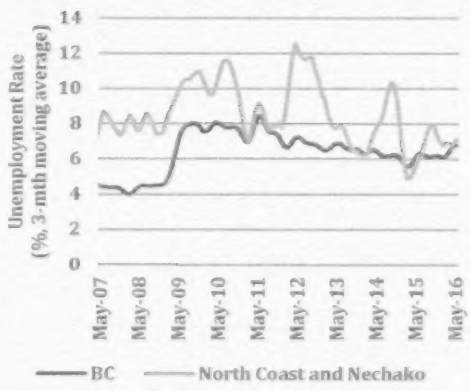
Exhibit 12.3 North Coast & Nechako Employment



Source: B.C. Stats. North Coast & Nechako combined.

Employment fluctuated over the past 10 years and peaked in 2008. Last year, employment spiked to 42,200, still below 2008 levels.

Exhibit 12.4 North Coast & Nechako Unemployment Rate



Source: B.C. Stats. North Coast & Nechako combined.

The unemployment rate has generally fluctuated above B.C. levels, aside from the spring of 2015. Since the peak at 12.5 percent in April 2012, the unemployment rate was 7.1 percent in May 2016.

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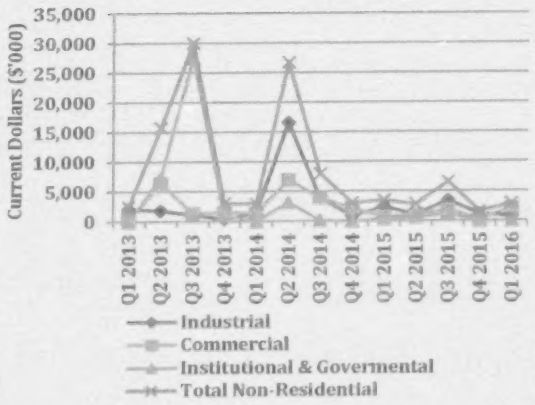
NECHAKO REGION

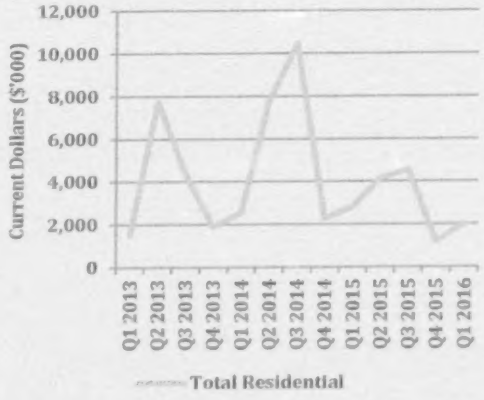
Exhibit 12.5 Value of Non-Residential Building Permits



Source: B.C. Stats

In the past 3 years, total value of non-residential building permit increased by 15.3%, totaling at $2,9M in the first quarter of 2016. Only industrial building permits fell 61.2% down to $812,000.

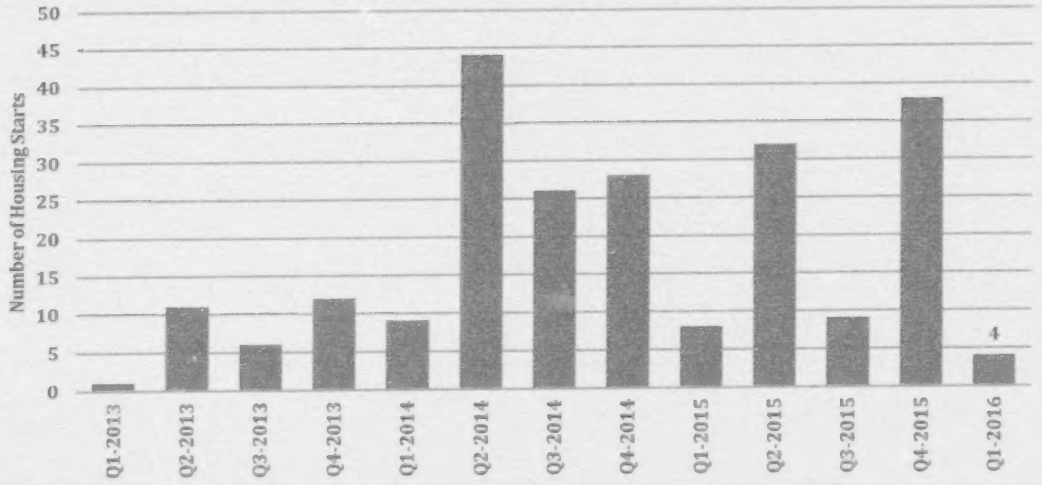
Exhibit 12.6 Value of Residential Building Permits



Source: B.C. Stats

The quarterly data shows strong fluctuations in the past 3 years and they have been trending lower to settle at $2,0M in Q1 2016.

Exhibit 12.7 Housing Starts



Source: CMHC

Housing starts fluctuated and are relatively low and variable in this region.

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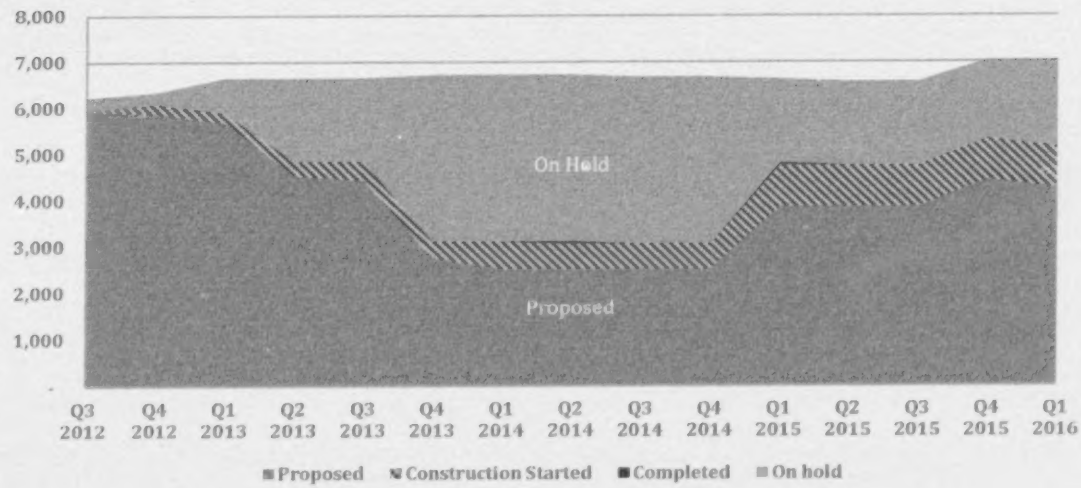
NECHAKO REGION

Trends in Major Projects

Exhibit 12.8 Estimated Cost Trends in Major Projects ($M)
Nechako Region



Source: MPI, Q1 2016

Among regions in B.C., the Nechako region ranked the last in terms of the level of capital cost at $7B. There were no MPI changes for the MPI in Nechako in this quarter.

Exhibit 12.9 Estimated Cost Trends in Major Projects, by Project Status ($M)
Nechako Region

Status	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Change from previous quarter	Change from previous year
Proposed	3,869	3,869	3,869	4,449	**4,261**	-4.2%	10.1%
Construction started	886	886	886	886	**886**	0.0%	0.0%
Completed	55	0	0	0	**0**		
On hold	1,806	1,806	1,806	1,697	**1,885**	11.1%	4.4%
Total	6,616	6,561	6,561	7,032	**7,032**	0.0%	6.3%

Source: MPI, Q1 2016

The total capital cost increased by 6.3 percent from the previous year.

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NECHAKO REGION

Exhibit 12.10 Summary of Major Projects (by Project Status)
Nechako Region

	Estimated Capital Cost ($M)	Percentage of Total	Number of Projects	Average Project Value ($M)	Average Years in Inventory
Proposed	4,261	61%	10	473.4	7.9
Preliminary/Feasibility	2,175	51%	3	725.0	8.9
Consultation/Approvals	2,086	49%	6	347.7	7.8
Permitting	0	0%	0	0.0	0.0
Tender/Preconstruction	0	0%	0	0.0	0.0
Stage Unknown	0	0%	1	0.0	5.1
On Hold	1,885	27%	4	471.3	8.5
Construction Started	886	13%	3	295.3	9.6
Completed	0	0.00%	0	0.0	0.0
Total	7,032	100%	17	439.5	8.3

Source: MPI, Q1 2016

Notes: Average project value is the average of those projects for which there is a cost estimate. Average number of years in inventory is the average time span between the entry of the projects in the MPI and the updated date (March 31, 2016).

Of the $7B estimated capital cost for major projects in Nechako region, 61 percent consists of proposed projects, 13 represents the projects which are underway, and 27 percent for the projects that are on hold. There is no project completed in this quarter.

The average number of years in inventory is 8.3 years, an increase of 0.2 years since last quarter. It implies that, on average, the major projects stay in the inventory for roughly 8.3 years from the day the projects are recorded until they are completed or removed from the inventory.

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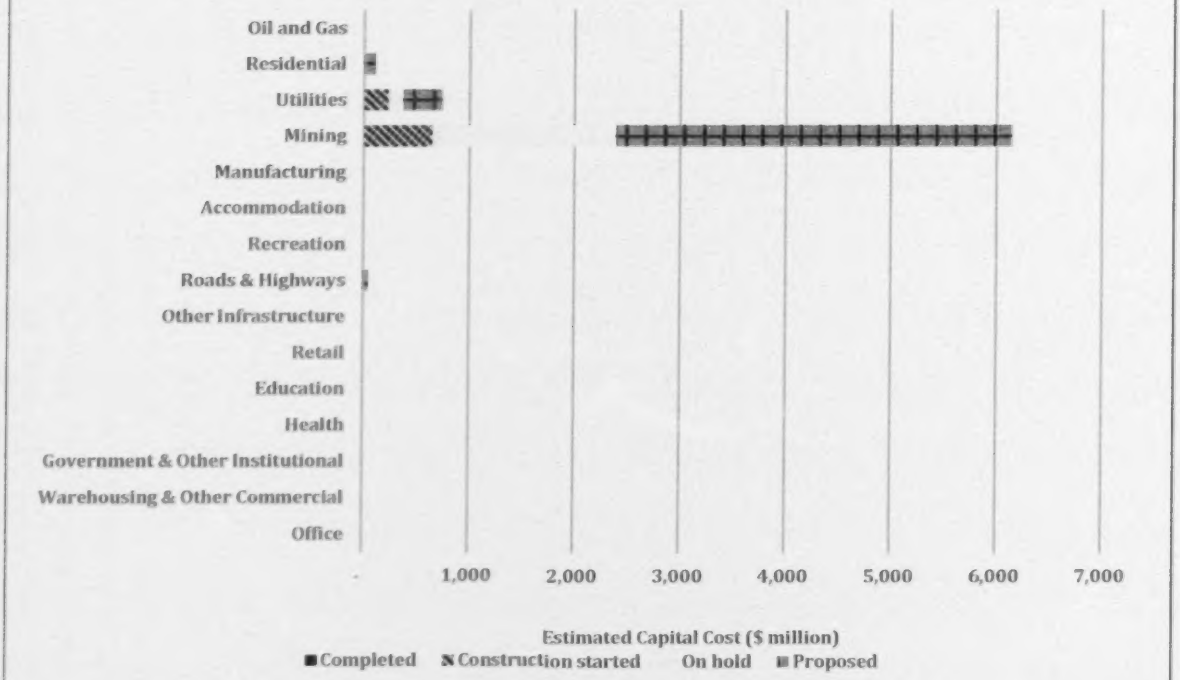
NECHAKO REGION

Exhibit 12.11 Major Projects Status, by Construction Subtype
Nechako Region



Source: MPI, Q1 2016

Mining projects in this region continued to have the majority of the total estimated capital cost in this quarter. A large proportion of projects are on hold and under the proposed status in the mining industry. Some mining construction activity is underway.

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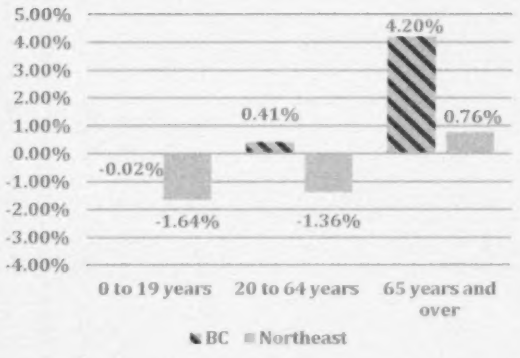
13. Northeast Region

Key Economic Indicators

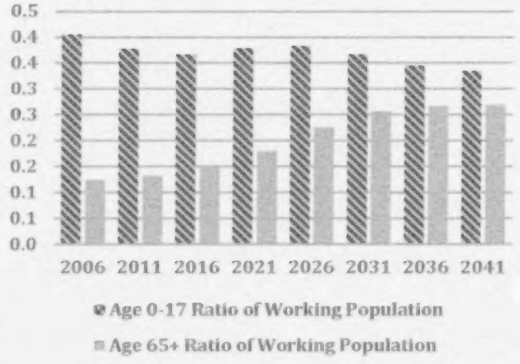
Exhibit 13.1 Population Growth 2014 - 2015



Source: B.C. Stats

The estimated population totals 42,149 for 2014-2015. The population in the Northeast region is overall shrinking. The slight increase in for the age group 65 years and older cannot offset the shrinking younger age groups.

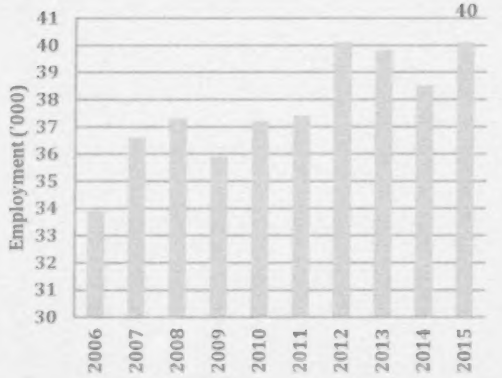
Exhibit 13.2 Dependency Ratios



Source: B.C. Stats

This region has a young population with the child dependency ratio much higher than the elderly dependency ratio.

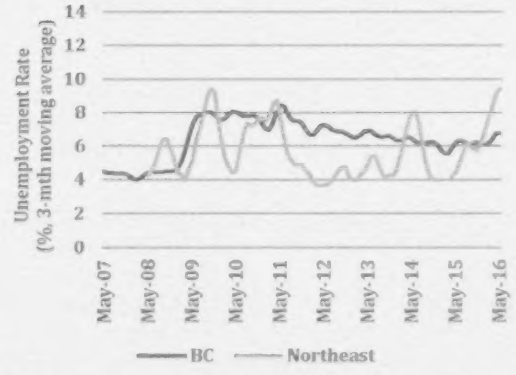
Exhibit 13.3 Employment



Source: B.C. Stats

Employment has grown over the last 10 years and reached a 10-year high of 40,000 in 2015.

Exhibit 13.4 Unemployment Rate



Source: B.C. Stats

The unemployment rate has traditionally fluctuated below B.C. levels. However, since May 2015 employment rates steadily increased and surpassed B.C. levels in late 2015 reaching a 10-year high of 9.4 percent in May 2016.

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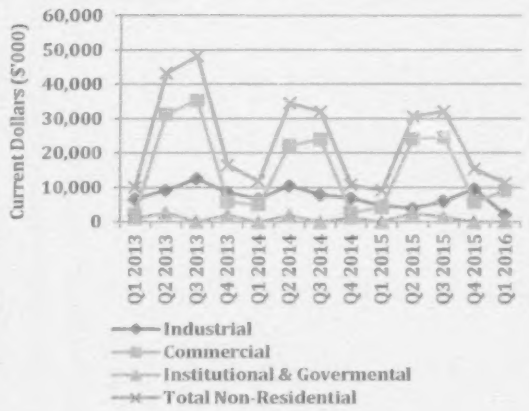
NORTHEAST REGION

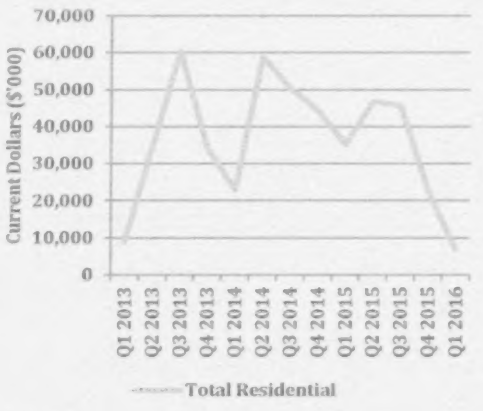
Exhibit 13.5 Value of Non-Residential Building Permits



Source: B.C. Stats

Non-residential building permits show a strong seasonal pattern that has been trending downwards.

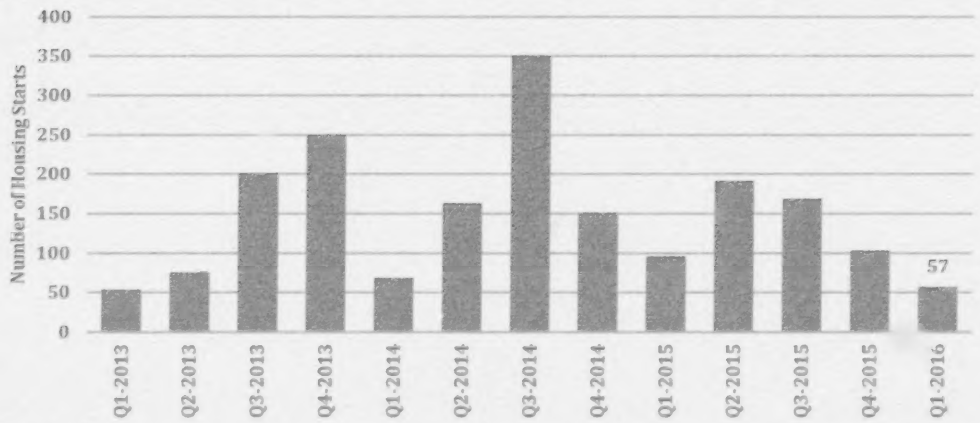
Exhibit 13.6 Value of Residential Building Permits



Source: B.C. Stats

Residential building permits were valued at $6.9M in the first quarter of 2016 - 20.9% less than 3 years before.

Exhibit 13.7 Housing Starts



Source: CMHC

Housing starts peaked in the third quarter 2013 at 350 units and dropped to 57 units in the first quarter of 2016.

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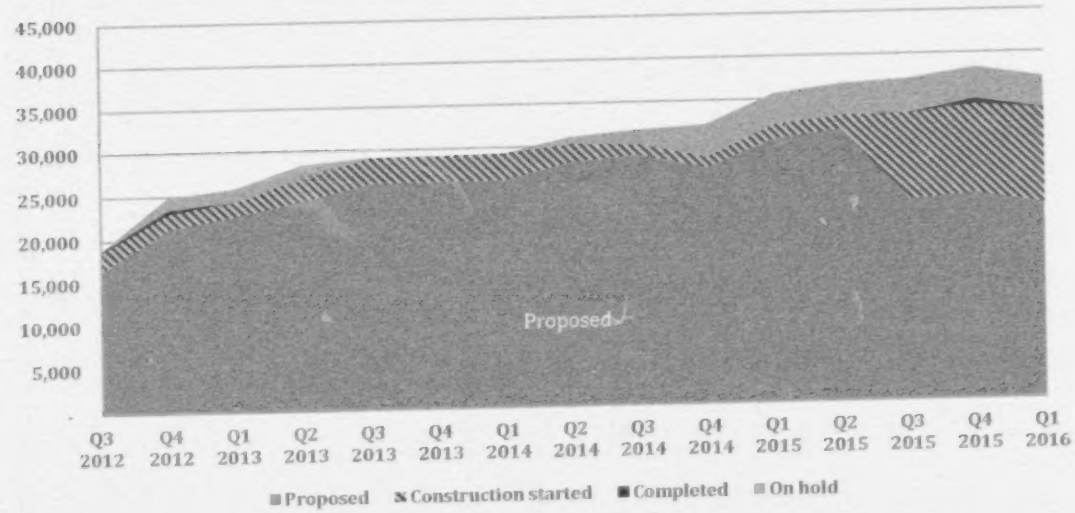
NORTHEAST REGION

Trends in Major Projects

Exhibit 13.8 Estimated Cost Trends in Major Projects ($M)
Northeast Region



Source: MPI, Q1 2016

Among regions in B.C., the Northeast region's MPI ranked fourth at $37B. Three new proposed projects have been added to the MPI in the first quarter of 2016, Windwood Pipeline Looping Project, Saturn Compressor Facility Expansion ($930M), and North West Elementary School ($27M). The Tower Gas Plant ($715M) construction started in this quarter.

Exhibit 13.9 Estimated Cost Trends in Major Projects, by Project Status ($M)
Northeast Region

Status	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Change from previous quarter	Change from previous year
Proposed	30,471	31,446	23,151	23,796	**22,482**	-5.5%	-26.2%
Construction started	1,529	1,529	9,908	10,217	**10,932**	7.0%	615.0%
Completed	0	0	36	554	**0**		
On hold	3,597	3,667	3,977	3,667	**3,667**	0.0%	1.9%
Total	35,597	36,642	37,072	38,234	**37,081**	-3.0%	4.2%

Source: MPI, Q1 2016

The total capital cost decreased by 3 percent from the last quarter and an increase of 4.2 percent from the previous year.

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Exhibit 13.10 Summary of Major Projects (by Project Status)
Northeast Region

	Estimated Capital Cost ($M)	Percentage of Total	Number of Projects	Average Project Value ($M)	Average Years in Inventory
Proposed	**22,482**	**61%**	**37**	**775.2**	**4.0**
Preliminary/Feasibility	172	1%	4	57.3	0.4
Consultation/Approvals	20,755	92%	29	902.4	4.7
Permitting	1500	7%	1	1500.0	1.1
Tender/Preconstruction	40	0%	1	40.0	2.8
Stage Unknown	15	0%	2	15.0	3.2
On Hold	**3,667**	**10%**	**9**	**458.4**	**6.9**
Construction Started	**10,932**	**29%**	**16**	**728.8**	**2.6**
Completed	**0**	**0%**	**0**	**0**	**0**
Total	**37,081**	**100%**	**62**	**713.1**	**4.1**

Source: MPI, Q1 2016

Notes: Average project value is the average of those projects for which there is a cost estimate. Average number of years in inventory is the average time span between the entry of the projects in the MPI and the updated date (March 31, 2016).

Of the $37B estimated capital cost in Nechako region, 61 percent consists of proposed projects, 29 percent represents the projects which are underway, and 10 percent for the projects that are on hold. There is no project completed in this quarter.

The average number of years in inventory is 4.1 years, which is the same as the last quarter. It implies that, on average, the major projects stay in the inventory for roughly 4.1 years, from the day the projects are recorded until they are completed or removed from the inventory.

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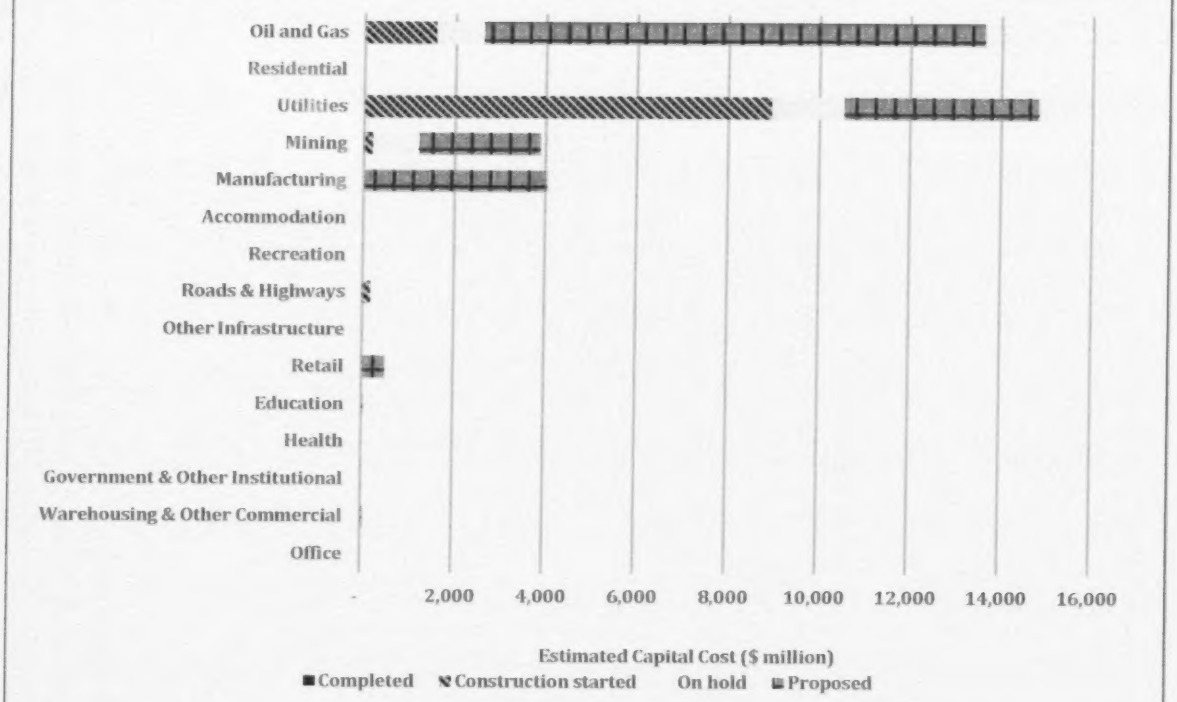
NORTHEAST REGION

Exhibit 13.11 Major Projects Status, by Construction Subtype
Northeast Region



Source: MPI, Q1 2016

Utilities (Site C) and oil and gas projects in this region continued to have the largest shares in the total estimated capital cost in this quarter.

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Appendices

Appendix 1

New Proposed Projects (January - March 2016)

Region	Municipality	Project	Estimated Cost ($M)
1. Vancouver Island/Coast	Courtenay	North Courtney Connector	15
	Burnaby	Precedence Condominium	30
	Burnaby	Concord Brentwood	100
	Coquitlam	Burquitlam Capital	35
	Delta	Charterhouse Townhouses	20
	Horseshoe Bay	Waterfront Condominiums	
	New Westminster	The Peninsula Condominiums	25
	North Vancouver	G3 Terminal Vancouver	600
	North Vancouver	Juniper Apartments	45
2. Mainland/Southwest	Richmond	Flood Mitigation Project	25
	Surrey	Guildhouse Lowrise Condominiums	20
	Vancouver	Belpark Condominiums	22
	Vancouver	Pinnacle on the Park False Creek	22
	Vancouver	Sir Sanford Fleming Elementary Seismic Upgrades	22
	Vancouver	8x On The Park	30
	Vancouver	Sapperton Pump Station & Cumberland Point Green Space	30
	Whistler	Renaissance Development Plan	345
5. Cariboo	Prince George	Salmon River Bridge Replacement	24
	Chetwynd	Windwood Pipeline Looping Project	
8. Northeast	Dawson Creek	Saturn Compressor Facility Expansion	930
	Fort St. John	North West Elementary School	27
Total			2,367

Source: MPI, Q1 2016

Appendix 2

Construction Started (January – March 2016)

Region:	Municipality:	Project:	Estimated Cost ($M)
2. Mainland/Southwest	New Westminster	RiverSky Condominiums	120
	North Vancouver	Seaspan Office Building	20
	North Vancouver	Cates Landing Townhouses	20
	Surrey	Clayton North Secondary School	55
	Vancouver	Ellsworth Condominium	20
	Vancouver	UBC Biological Sciences Building Addition and Renovation	80
	Vancouver	Broadway Commercial Office Tower	20
	Vancouver	498 Drake Street Condominium	45
	Vancouver	CambieStar Mixed-Use Development	20
3. Thompson-Okanagan	Kamloops	Landmark Place at Landmark Heights	20
	Kelowna	Highway 97 Improvements - Highway 33 to Edwards Road	60
6. North Coast	Iskut	Brucejack Gold Project	811
8. Northeast	Fort St. John	Tower Gas Plant	715
Total			**2,006**

Source: MPI, Q1 2016

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APPENDICES

Appendix 3

Construction Completed (January - March 2016)

Region	Municipality	Project	Estimated Cost ($M)
1. Vancouver Island/Coast	Nanaimo	Nanaimo District Office	49
	Victoria	Trades Training Facilities - Camosun College Expansion	32
	Victoria	Horsey to George Trip substation 230kV Cable Replacement	47
	View Royal	Eagle Creek Village Mixed Use Development	100
2. Mainland/Southwest	Burnaby	RedBrick Condominium Apartments	30
	Coquitlam	Foster Avenue Townhomes	24
	Coquitlam	Black + White Townhouses	20
	Lower Mainland	Surrey Area Substation Project	94
	North Vancouver	North Shore Trade Area - Philip Avenue Overpass Project	283
	Richmond	Harmony Condominiums	20
	Surrey	Grandview Heights Aquatic Centre	55
	Surrey	Clayton Village Residential Development	120
	Vancouver	MC 2 Highrise Condominium	40
	Vancouver	Office Tower - 745 Thurlow	80
	Vancouver	Carlyle Retail Complex	20
	Vancouver	Block 100 Condominiums	40
	Vancouver	BlueSky Chinatown Condominiums	20
4. Kootenay	Cranbrook	East Kootenay Regional Hospital ICU and Electrical Upgrades	20
Total			**1,094**

Source: MPI, Q1 2016

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APPENDICES

Appendix 4

Project Value and Project Status for each Industry Sector – (October – December 2015)

	Proposed	Construction started	Completed	On hold	Grand Total
Oil and Gas	209,900	2,043	-	1,050	212,993
Residential	17,254	34,611	414	2,188	54,467
Utilities	17,381	14,636	190	8,005	40,212
Mining	21,339	1,762	-	15,126	38,227
Manufacturing	36,075	79	-	300	36,454
Accommodation	5,412	3,869	-	2,466	11,747
Recreation	5,866	4,243	55	1,468	11,632
Roads & Highways	6,473	3,871	283	69	10,696
Other Infrastructure	4,090	3,496	-	15	7,601
Retail	1,108	2,512	20	-	3,640
Education	2,033	1,031	32	435	3,531
Health	584	2,537	20	-	3,141
Government & Other Institutional	105	1,620	-	-	1,725
Warehousing & Other Commercial	1,067	525	-	-	1,592
Office	632	605	80	80	1,397
Total	329,319	77,440	1,094	31,202	439,055

Source: MPI, Q1 2016

Appendix 5

Number of Regional Major Projects Excluding Completed Projects (by Project Category)

Development Region	Residential/ Commercial	Transportation & Warehousing	Mining, Oil & Gas Extraction	Utilities	Manufacturing	Public Services	Other Services	Total
Vancouver Island/Coast	80	12	6	21	1	9	6	135
Mainland/Southwest	311	36	5	42	1	40	9	444
Thompson-Okanagan	56	12	4	20	1	10	7	110
Kootenay	10		5	5	1	1	5	27
Cariboo	6	3	8	7	1		2	27
North Coast	2	15	29	11	5	1		63
Nechako	1	1	10	5				17
Northeast	2	13	24	19	3	1		62
Grand Total	468	92	91	130	13	62	29	885

Source: MPI, Q1 2016

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